



Health Care Regulation Policy Committee

**Tuesday, March 3, 2009
2:30 PM – 4:00 PM
116 Knott Building**

MEETING PACKET

**Larry Cretul
Speaker pro tempore**

**Jimmy Patronis
Chair**

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Health Care Regulation Policy Committee

Start Date and Time: Tuesday, March 03, 2009 02:30 pm

End Date and Time: Tuesday, March 03, 2009 04:00 pm

Location: 116 Knott Building

Duration: 1.50 hrs

Consideration of the following bill(s):

HB 185 Access to Health Care by Hudson

HB 249 Physician Assistants by Patronis

Presentation by Department of Health on the Status of the A.G. Holley State Hospital Procurement

NOTICE FINALIZED on 02/27/2009 15:53 by Manning.Karen



The Florida House of Representatives

Health Care Regulation Policy Committee

A G E N D A

**March 3, 2009
2:30 PM - 4:00 PM
116 Knott Building**

- I. Opening Remarks by Chair Patronis**
- II. Consideration of the following bill(s):**
 - HB 185 Access to Health Care by Rep. Hudson**
 - HB 249 Physician Assistants by Rep. Patronis**
- III. Presentation by Department of Health on the Status of the A.G. Holley State Hospital Procurement**
- IV. Closing Remarks by Chair Patronis**
- V. Adjournment**

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Florida Dental Health Access Task Force

The bill establishes a Dental Health Access Task Force ("Task Force") to make recommendations on the following Medicaid dental related issues: reimbursement; provider enrollment; maximization of dental funding by other states; claims processing; establishing temporary assistance to dental offices in the event of unexpected death of a provider; and creating a process to address patient behavior in dental offices.

The Task Force must consist of 10 members who serve at the pleasure of the appointing organization. The following organizations must appoint a member: the Florida House of Representatives; the Florida Senate; Florida Dental Association; Florida Academy of Pediatric Dentistry; Florida Society of Oral and Maxillofacial Surgeons; Florida Society of Orthodontist; Florida Society of Periodontists; Florida Dental Hygiene Association; Florida Public Health Association; and the state's Medicaid director or designee.

The members must be appointed by August 31, 2009 and the Task Force must hold its first meeting by September 15, 2009. The findings of the Task Force must be submitted to the President of the Senate and the Speaker of the House of Representatives by February 1, 2011, upon which the Task Force is dissolved.

According to the Agency for Health Care Administration ("Agency"), there are already several legislatively mandated work groups which review Medicaid provider reimbursement rates for managed care, hospitals, and nursing homes. In addition the Agency's Medicaid Medical Care Advisory Council is designed to address recipient and provider issues.

Florida Healthy Kids Corporation

The Florida Healthy Kids Corporation ("Corporation"), under contract with the Agency, performs administrative functions for the overall Florida KidCare program and administers the SCHIP HealthyKids program. The Corporation handles eligibility determination, premium billing and collection, refunds, and customer service for KidCare, except for the large Medicaid component, which is administered by the Agency and the Department of Children and Families.

The corporation is governed by an 11-member board of directors who serve for 3-year terms of office. The current membership includes:

- The Chief Financial Officer, or his or her designee;
- The Secretary of Health Care Administration, or his or her designee;
- One member appointed by the Commissioner of Education from the Office of School Health Programs of the Florida Department of Education;
- One member appointed by the Chief Financial Officer from among three members nominated by the Florida Pediatric Society;
- One member, appointed by the Governor, who represents the Children's Medical Services Program;
- One member appointed by the Chief Financial Officer from among three members nominated by the Florida Hospital Association;
- One member, appointed by the Governor, who is an expert on child health policy;
- One member, appointed by the Chief Financial Officer, from among three members nominated by the Florida Academy of Family Physicians;
- One member, appointed by the Governor, who represents the state Medicaid program;
- One member, appointed by the Chief Financial Officer, from among three members nominated by the Florida Association of Counties; and
- The State Health Officer or her or his designee.

The bill adds a representative of the dental community to the Florida Healthy Kids Corporation board of directors. The member will be appointed by the Governor from three candidates nominated by the Florida Dental Association.

Exclusive Provider Clause for Prepaid Limited Health Service Organizations

Prepaid Limited Health Service Organizations are similar to health maintenance organizations but are limited to offering the following services: ambulance services, dental care services, vision care services, mental health services, substance abuse services, chiropractic services, podiatric care services, and pharmaceutical services, pursuant to contractual arrangements with preferred providers in a designated service area.¹ Prepaid Limited Health Service Organizations provide health care coverage in the private market and in the state Medicaid program. They are regulated by the Office of Insurance Regulation. According to the Office of Insurance Regulation website, there are currently 23 licensed prepaid limited health service organizations in Florida.²

Currently, the Agency has two types of prepaid limited health service organizations: Prepaid Dental Health Plans, authorized in s. 409.912(43), F.S., and Prepaid Mental Health Plans, authorized in s. 409.912(4)(b), F.S.. These plans are administered under contract with the Agency and are reimbursed on a capitated basis.

Currently, the Florida Medicaid Program has two contracts for prepaid dental services, both in Miami-Dade County: Atlantic Dental, Inc., (ADI) and MCNA of North America. These two contracts are up for renewal in September 2009. ADI has 239 unduplicated providers in its plan network, while MCNA currently has 83 unduplicated providers in their plan network. 35 providers are currently participating in both the ADI and MCNA networks.³

According to the Agency, both prepaid dental providers have at some time requested their network dentists to sign contracts prohibiting them from entering into or renewing contracts with another prepaid dental health plan. Currently, neither Florida Medicaid law nor Prepaid Limited Health Service Organizations law prohibit this practice. Florida law does not require dentists to sign these restricted contracts.

¹ Section 636.003, F.S.

² Office of Insurance Regulation, Company Directory: Prepaid Limited Health Service Organizations (February 2009). Available online at: http://www.floir.com/CompanySearch/show_results.asp; viewed February 22, 2009.

³ Agency for Health Care Administration email to House Health Regulation Policy Committee staff, March 2, 2009.

The bill prohibits *all* prepaid limited health service organizations from restricting providers from contracting with more than one prepaid limited health service organization provider. This prohibition applies to all prepaid limited health service organization contracts in government programs and in the private sector. The bill addresses all provider types, and is not limited to dentists.⁴ The prohibition would apply to contracts entered into or renewed on or after October 1, 2009.

According to the Agency, this limitation could be established contractually, without a statutory change.⁵ The Agency intends to address this issue during the next contract term in September 2009.⁶

The bill further prevents prepaid health service organizations from requiring a contracted health service provider from having to accept the terms of other health care practitioner contracts which are part of a prepaid limited service provider organization, insurer, or limited health service organization that are under common management and control as a condition of continuation or renewal of a contract. This prohibition includes Medicare and Medicaid practitioner contracts, preferred provider contracts, exclusive provider contracts, and health maintenance organization contracts. The prohibition does not include group practices, which must accept the terms of a contract negotiated for the practitioner by the group. The term "health care practitioner" is not defined.

The bill provides that contract provisions requiring a provider to accept the terms of other contracts are void. However, violations of this prohibition are not subject to the criminal penalties contained in the Florida Insurance Code.

Current law imposes this prohibition on health maintenance organizations ("HMOs").⁷ This prohibition impacts Medicare and Medicaid practitioner contracts, preferred provider network contracts, HMO provider contracts, and exclusive provider network contracts. The bill adds prepaid health service organization contracts to that list, via cross-reference.

Waiver of Licensure Renewal Fees and Continuing Education Requirements

Currently, health care practitioners who provide at least 80 hours annually of non-compensated service to low-income recipients as a government contractor are eligible for a waiver of their biennial license renewal fee. In addition, the practitioners may claim up to 25 percent of their continuing education requirements. To qualify, the health care practitioner must provide the appropriate documentation to the Department of Health at the time of licensure renewal. Retired health care practitioners are also eligible, but must provide at least 400 hours of service a year, for each year during the two-year licensure period. Health practitioners must accumulate service hours on a yearly basis, even though their licensure period is for two years.

The bill authorizes health care practitioners to count non-compensated service hours provided to low-income recipients as a government contractor on a biennial basis, rather than annually. The bill amends the current 80 hours annual requirement to 160 hours for each biannual licensure period. Likewise, the bill amends the 400 hours required annually for retired health care practitioners to 800 hours biannually.

B. SECTION DIRECTORY:

Section 1. Creates s. 381.00521, F.S., the Florida Dental Health Access Task Force.

Section 2. Amends s. 624.91, F.S., relating to the Florida Healthy Kids Corporation Act.

Section 3. Amends s. 636.035, F.S., relating to prepaid limited health service organization provider arrangements.

⁴ "'Provider' means, but is not limited to, any physician, dentist, health facility, or other person or institution which is duly licensed in this state to deliver limited health services." s. 636.003, F.S.

⁵ Agency for Health Care Administration Bill Analysis, House Bill 185 (2009).

⁶ Agency for Health Care Administration email to House Health Regulation Policy Committee staff, March 2, 2009.

⁷ Section 641.315(10), F.S. The HMO statute defines "health care practitioner" as defined in s. 456.001(4), which includes physicians, osteopathic physicians, chiropractors, podiatrists, nurses, pharmacists, dentists, midwives, optometrists, speech pathologists, occupational therapists, orthotic providers, massage therapists, clinical lab personnel, and psychologists.

- Section 4. Amends s. 641.315, F.S., relating to health maintenance organization provider contracts.
Section 5. Amends s. 766.1116, F.S., relating to health care practitioner waiver of licensure renewal fees and continuing education requirements.
Section 6. Provides an effective date of July 1, 2009.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:
Not applicable.

2. Expenditures:
See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:
Not applicable.

2. Expenditures:
Not applicable.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Not applicable.

D. FISCAL COMMENTS:

The bill does not allocate funds to administer the Florida Dental Health Access Task Force including funds to hire staff to perform the various tasks outlined in the bill. Nor does it address whether Task Force members receive per diem and travel reimbursement. The bill does not specify the number of times the Task Force must meet.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of a state tax sharing with counties or municipalities.

2. Other:
Not applicable.

B. RULE-MAKING AUTHORITY:

Additional rule-making authority is not needed to implement the provisions of the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

It is not clear which agency, if any, would have oversight of or administrative obligations for the Florida Dental Health Access Task Force. The language is placed in chapter 381, F.S., addressing public health, which is under the purview of the Department of Health.

The Agency's existing prepaid dental health plan contracts are up for renewal in September 2009. The bill's prohibitions go into effect October 2009, which is after the contract renewal period. While the Agency has committed to making the change without statutory directive, it may be advantageous to amend the enactment date to an earlier date.

The bill impacts *all* prepaid limited health service organizations regulated in the state. According to the Office of Insurance Regulation website, there are currently 23 licensed prepaid limited health service organizations in Florida. Because the articulated problem is limited to Medicaid prepaid dental plans, it may be advantageous to limit the impact to Medicaid prepaid dental plans, or all Medicaid prepaid plans.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

Bill No. **HB 185**

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

1 Council/Committee hearing bill: Health Care Regulation Policy
2 Committee

3 Representative(s) Hudson offered the following:

4
5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:

7 Section 1. Paragraph (a) of subsection (6) of section
8 624.91, Florida Statutes, is amended to read:

9 624.91 The Florida Healthy Kids Corporation Act.--

10 (6) BOARD OF DIRECTORS.--

11 (a) The Florida Healthy Kids Corporation shall operate
12 subject to the supervision and approval of a board of directors
13 chaired by the Chief Financial Officer or her or his designee,
14 and composed of 11 ~~10~~ other members selected for 3-year terms of
15 office as follows:

16 1. The Secretary of Health Care Administration, or his or
17 her designee.†

18 2. One member appointed by the Commissioner of Education
19 from the Office of School Health Programs of the Florida
20 Department of Education.†

21 3. One member appointed by the Chief Financial Officer
22 from among three members nominated by the Florida Pediatric

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

23 Society.~~†~~

24 4. One member, appointed by the Governor, who represents
25 the Children's Medical Services Program.~~†~~

26 5. One member appointed by the Chief Financial Officer
27 from among three members nominated by the Florida Hospital
28 Association.~~†~~

29 6. One member, appointed by the Governor, who is an expert
30 on child health policy.~~†~~

31 7. One member, appointed by the Chief Financial Officer,
32 from among three members nominated by the Florida Academy of
33 Family Physicians.~~†~~

34 8. One member, appointed by the Governor, who represents
35 the state Medicaid program.~~†~~

36 9. One member, appointed by the Chief Financial Officer,
37 from among three members nominated by the Florida Association of
38 Counties.~~†~~ and

39 10. The State Health Officer or her or his designee.

40 11. One member, appointed by the Governor, from among
41 three members nominated by the Florida Dental Association.

42 Section 2. Subsections (11) and (12) are added to section
43 636.035, Florida Statutes, to read:

44 636.035 Provider arrangements.--

45 (11) A contract between a prepaid limited health service
46 organization and a provider of limited health services may not
47 contain any provision that in any way prohibits or restricts the
48 limited health service provider from entering into or renewing a
49 contract with any other prepaid limited health service
50 organization. This subsection applies to all contracts entered
51 into or renewed on or after July 1, 2009.

52 (12) A prepaid limited health service organization may not
53 require, as a condition of continuation or renewal of a

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

54 contract, a contracted limited health service provider to accept
55 the terms of other health care practitioner contracts with the
56 prepaid limited health service organization or any insurer or
57 other limited health service organization under common
58 management and control with the prepaid limited health service
59 organization, including, but not limited to, Medicare and
60 Medicaid practitioner contracts and those authorized by s.
61 627.6471, s. 627.6472, s. 641.315, or this section, except for a
62 practitioner in a group practice as defined in s. 456.053 who
63 must accept the terms of a contract negotiated for the
64 practitioner by the group. Any contract provision that violates
65 this subsection is void. A violation of this subsection is not
66 subject to the criminal penalty specified in s. 624.15. This
67 subsection applies to all contracts entered into or renewed on
68 or after July 1, 2009.

69 Section 3. Subsection (10) of section 641.315, Florida
70 Statutes, is amended to read:

71 641.315 Provider contracts.--

72 (10) A health maintenance organization shall not require a
73 contracted health care practitioner as defined in s. 456.001(4)
74 to accept the terms of other health care practitioner contracts
75 with the health maintenance organization or any insurer, or
76 other health maintenance organization, under common management
77 and control with the health maintenance organization, including
78 Medicare and Medicaid practitioner contracts and those
79 authorized by s. 627.6471, s. 627.6472, s. 636.035, or this
80 section ~~s. 641.315~~, except for a practitioner in a group
81 practice as defined in s. 456.053 who must accept the terms of a
82 contract negotiated for the practitioner by the group, as a
83 condition of continuation or renewal of the contract. Any
84 contract provision that violates this section is void. A

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

85 violation of this section is not subject to the criminal penalty
86 specified in s. 624.15.

87 Section 4. Subsection (2) of section 766.1116, Florida
88 Statutes, is amended to read:

89 766.1116 Health care practitioner; waiver of license
90 renewal fees and continuing education requirements.--

91 (2) Notwithstanding any provision of chapter 458, chapter
92 459, chapter 460, chapter 461, part I of chapter 464, chapter
93 466, or chapter 467 to the contrary, any health care
94 practitioner who participates as a health care provider under s.
95 766.1115 and thereby agrees with a governmental contractor to
96 provide his or her services without compensation and as an agent
97 of the governmental contractor to low-income recipients in
98 accordance with s. 766.1115 for at least 160 ~~80~~ hours ~~a year~~ for
99 each ~~year during the~~ biennial licensure period, or, if the
100 health care practitioner is retired, for at least 800 ~~400~~ hours
101 ~~a year for each year~~ during the licensure period, upon providing
102 sufficient proof from the applicable governmental contractor
103 that the health care practitioner has completed the hours at the
104 time of license renewal under procedures specified by the
105 Department of Health, shall be eligible for:

106 (a) Waiver of the biennial license renewal fee for an
107 active license; and

108 (b) Fulfillment of a maximum of 25 percent of the
109 continuing education hours required for license renewal under s.
110 456.013(9).

111 Section 5. This act shall take effect July 1, 2009.

112

113

114

115

T I T L E A M E N D M E N T

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

116 Remove the entire title and insert:
117 An act relating to access to health care; amending s. 624.91,
118 F.S.; expanding the membership of the board of directors of the
119 Florida Healthy Kids Corporation; amending s. 636.035, F.S.;
120 specifying certain provider arrangement contract prohibitions or
121 restrictions; prohibiting prepaid limited health service
122 organizations from specifying certain contract continuation or
123 renewal conditions; providing for voiding of certain contracts;
124 specifying absence of liability for certain criminal penalties;
125 amending s. 641.315, F.S.; providing for application to health
126 maintenance organizations of the prohibition against specifying
127 certain contract continuation or renewal conditions; amending s.
128 766.1116, F.S.; revising time requirements for a health care
129 practitioner's waiver of license renewal fees and continuing
130 education requirements; providing an effective date.

131

28 Section 1. Section 381.00521, Florida Statutes, is created
 29 to read:

30 381.00521 Florida Dental Health Access Task Force.--

31 (1) The Florida Dental Health Access Task Force is
 32 established for the purpose of developing findings and issuing
 33 recommendations relating to and including, but not limited to,
 34 Medicaid dental reimbursement fees; alternative methods
 35 successfully implemented in other states that maximize dental
 36 funding in Medicaid, including, but not limited to, dental
 37 carve-outs; addressing the administrative process for dentists
 38 to become Medicaid dental providers; literature provided by the
 39 Agency for Health Care Administration summarizing the process of
 40 what to expect once a dentist becomes a Medicaid provider,
 41 including, but not limited to, how to process claims;
 42 establishment of providing temporary assistance to a dental
 43 office in cases in which the Medicaid dental provider dies
 44 unexpectedly; and a detailed process for addressing patient
 45 behavior and individual responsibility of Medicaid patients in
 46 dental offices.

47 (2) The membership of the task force shall consist of:

48 (a) A member of the House of Representatives, appointed by
 49 the Speaker of the House of Representatives as an ex officio,
 50 nonvoting member of the task force.

51 (b) A member of the Senate, appointed by the President of
 52 the Senate as an ex officio, nonvoting member of the task force.

53 (c) A member appointed by the Florida Dental Association.

54 (d) A member appointed by the Florida Academy of Pediatric
 55 Dentistry.

56 (e) A member appointed by the Florida Society of Oral and
 57 Maxillofacial Surgeons.

58 (f) A member appointed by the Florida Society of
 59 Orthodontists.

60 (g) A member appointed by the Florida Society of
 61 Periodontists.

62 (h) A member appointed by the Florida Dental Hygiene
 63 Association.

64 (i) A member appointed by the Florida Public Health
 65 Association.

66 (j) The state's Medicaid director or the director's
 67 designee.

68 (3) Each member shall serve at the pleasure of the
 69 organization that appointed the member. A vacancy on the task
 70 force shall be filled in the same manner as the original
 71 appointment.

72 (4) All members of the task force must be appointed on or
 73 before August 31, 2009, and the task force shall hold its first
 74 meeting on or before September 15, 2009.

75 (5) The task force shall develop recommendations and
 76 submit its findings to the President of the Senate and the
 77 Speaker of the House of Representatives by February 1, 2011.

78 (6) The task force is terminated February 1, 2011.

79 Section 2. Paragraph (a) of subsection (6) of section
 80 624.91, Florida Statutes, is amended to read:

81 624.91 The Florida Healthy Kids Corporation Act.--

82 (6) BOARD OF DIRECTORS.--

83 (a) The Florida Healthy Kids Corporation shall operate
 84 subject to the supervision and approval of a board of directors
 85 chaired by the Chief Financial Officer or her or his designee,
 86 and composed of 11 ~~10~~ other members selected for 3-year terms of
 87 office as follows:

88 1. The Secretary of Health Care Administration, or his or
 89 her designee.†

90 2. One member appointed by the Commissioner of Education
 91 from the Office of School Health Programs of the Florida
 92 Department of Education.†

93 3. One member appointed by the Chief Financial Officer
 94 from among three members nominated by the Florida Pediatric
 95 Society.†

96 4. One member, appointed by the Governor, who represents
 97 the Children's Medical Services Program.†

98 5. One member appointed by the Chief Financial Officer
 99 from among three members nominated by the Florida Hospital
 100 Association.†

101 6. One member, appointed by the Governor, who is an expert
 102 on child health policy.†

103 7. One member, appointed by the Chief Financial Officer,
 104 from among three members nominated by the Florida Academy of
 105 Family Physicians.†

106 8. One member, appointed by the Governor, who represents
 107 the state Medicaid program.†

108 9. One member, appointed by the Chief Financial Officer,
 109 from among three members nominated by the Florida Association of
 110 Counties.† ~~and~~

111 | 10. The State Health Officer or her or his designee.

112 | 11. One member, appointed by the Governor, from among
 113 | three members nominated by the Florida Dental Association.

114 | Section 3. Subsections (11) and (12) are added to section
 115 | 636.035, Florida Statutes, to read:

116 | 636.035 Provider arrangements.--

117 | (11) A contract between a prepaid limited health service
 118 | organization and a provider of limited health services may not
 119 | contain any provision that in any way prohibits or restricts the
 120 | limited health service provider from entering into or renewing a
 121 | contract with any other prepaid limited health service
 122 | organization. This subsection applies to all contracts entered
 123 | into or renewed on or after October 1, 2009.

124 | (12) A prepaid limited health service organization may not
 125 | require, as a condition of continuation or renewal of a
 126 | contract, a contracted limited health service provider to accept
 127 | the terms of other health care practitioner contracts with the
 128 | prepaid limited health service organization or any insurer or
 129 | other limited health service organization under common
 130 | management and control with the prepaid limited health service
 131 | organization, including, but not limited to, Medicare and
 132 | Medicaid practitioner contracts and those authorized by s.
 133 | 627.6471, s. 627.6472, s. 641.315, or this section, except for a
 134 | practitioner in a group practice as defined in s. 456.053 who
 135 | must accept the terms of a contract negotiated for the
 136 | practitioner by the group. Any contract provision that violates
 137 | this subsection is void. A violation of this subsection is not
 138 | subject to the criminal penalty specified in s. 624.15.

139 Section 4. Subsection (10) of section 641.315, Florida
 140 Statutes, is amended to read:

141 641.315 Provider contracts.--

142 (10) A health maintenance organization shall not require a
 143 contracted health care practitioner as defined in s. 456.001(4)
 144 to accept the terms of other health care practitioner contracts
 145 with the health maintenance organization or any insurer, or
 146 other health maintenance organization, under common management
 147 and control with the health maintenance organization, including
 148 Medicare and Medicaid practitioner contracts and those
 149 authorized by s. 627.6471, s. 627.6472, s. 636.035, or this
 150 section ~~s. 641.315~~, except for a practitioner in a group
 151 practice as defined in s. 456.053 who must accept the terms of a
 152 contract negotiated for the practitioner by the group, as a
 153 condition of continuation or renewal of the contract. Any
 154 contract provision that violates this section is void. A
 155 violation of this section is not subject to the criminal penalty
 156 specified in s. 624.15.

157 Section 5. Subsection (2) of section 766.1116, Florida
 158 Statutes, is amended to read:

159 766.1116 Health care practitioner; waiver of license
 160 renewal fees and continuing education requirements.--

161 (2) Notwithstanding any provision of chapter 458, chapter
 162 459, chapter 460, chapter 461, part I of chapter 464, chapter
 163 466, or chapter 467 to the contrary, any health care
 164 practitioner who participates as a health care provider under s.
 165 766.1115 and thereby agrees with a governmental contractor to
 166 provide his or her services without compensation and as an agent

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167 of the governmental contractor to low-income recipients in
 168 accordance with s. 766.1115 for at least 160 ~~80~~ hours ~~a year~~ for
 169 each ~~year during the~~ biennial licensure period, or, if the
 170 health care practitioner is retired, for at least 800 ~~400~~ hours
 171 ~~a year for each year~~ during the licensure period, upon providing
 172 sufficient proof from the applicable governmental contractor
 173 that the health care practitioner has completed the hours at the
 174 time of license renewal under procedures specified by the
 175 Department of Health, shall be eligible for:

- 176 (a) Waiver of the biennial license renewal fee for an
- 177 active license; and
- 178 (b) Fulfillment of a maximum of 25 percent of the
- 179 continuing education hours required for license renewal under s.
- 180 456.013(9).

181 Section 6. This act shall take effect July 1, 2009.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 249 Physician Assistants

SPONSOR(S): Patronis and others

TIED BILLS: IDEN./SIM. BILLS: SB 720

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Health Care Regulation Policy Committee		Holt <i>PH</i>	Calamas <i>CC</i>
2) Health & Family Services Policy Council			
3) Policy Council			
4)			
5)			

SUMMARY ANALYSIS

The bill prohibits requiring supervising doctors to review and cosign medical records or charts that are prepared by a physician assistant (PA). The bill removes the requirement that a supervising physician review and sign each prescription or dispensing medication notation made by a prescribing PA. The changes are made to the respective practice acts for medical doctors and doctors of osteopathic medicine.

The bill has no fiscal impact to the state or local government.

The bill takes effect July 1, 2009.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Scope of Practice Authority

The legal authority to provide health care services is tied to state statutes generally referred to as practice acts. Practice acts establish professional "scopes of practice," and often differ from state to state.

Physician Assistant

In the mid-1960s, the concept of a "mid-level" provider, the physician assistant (PA), was created when physicians and educators recognized there was a shortage and uneven distribution of primary care physicians. To expand the delivery of quality medical care, a two-year advanced curriculum was created based on the Navy corpsmen and the fast-track training doctors received during World War II.¹ Currently, there are four institutions offering PA degrees in Florida: Barry University, Nova Southeastern University, University of Florida and Miami Dade College.² Miami Dade College offers a 2-year associate degree program. The remaining are master's level degree programs. As of June 2008, there are approximately 4,152 actively licensed PAs in Florida.³

Oversight of Physician Assistants

A PA practices medicine under the indirect or direct supervision of a medical doctor (MD) or a doctor of osteopathic medicine (DO). PAs are regulated through the medical practice acts for MDs and DOs.⁴ Each of the medical practice acts has a corresponding board (i.e., the Board of Medicine and the Board of Osteopathic Medicine). The duty of the boards and its members is to participate in probable cause panels and make disciplinary decisions concerning whether a doctor or PA was practicing medicine within the confines of their practice act. To ensure that PAs have adequate oversight the Council on Physician Assistants (or "Council") was created. The role of the Council is to recommend the licensure requirements (including educational and training requirements) for PAs, establish a list of formulary drugs that a PA may *not* prescribe, and develop rules for the use of PAs by doctors to ensure that the

¹ Duke University, Physician Assistant History Center, Timeline (2004). Available online at: <http://www.pahx.org/timeline.html>; viewed February 27, 2009.

² American Academy of Physician Assistants, PA Educational Programs: Accredited Florida Physician Assistant Programs. Available online at: <http://www.aapa.org/pgmview.php3?state=FL>; viewed February 27, 2009.

³ The Florida Department of Health, Division of Medical Quality Assurance, Annual Report: July 1, 2007- June 30, 2008.

⁴ Sections 458.347 and 459.022, F.S

continuity of supervision is maintained in each practice setting throughout the state. The Council is composed of five members, of which, two must supervise PAs: three doctors who are members of the Board of Medicine; one doctor who is a member of the Board of Osteopathic Medicine; and one licensed PA.

Supervision Standards for Physician Assistants

A supervising doctor may only delegate tasks and procedures to PA that are within the supervising doctor's scope of practice.⁵ The supervising doctor may provide direct or indirect supervision. The decision to allow a PA to perform a task or procedure under direct or indirect supervision is made by the supervising doctor based on reasonable medical judgment regarding the probability of morbidity and mortality to the patient.

Direct supervision entails the physical presence of the supervising doctor on the premises so that he or she is immediately available to the PA when needed.⁶ Indirect supervision requires reasonable proximity between the supervising doctor and the PA and requires the ability to communicate by telecommunications.⁷ There are several duties that a PA is *not* permitted to perform under indirect supervision such as: insertion of chest tubes or central venous catheters; performance of cardiac stress tests; administration of general, spinal, and epidural anesthetics; and interpretation of laboratory tests, X-ray studies and EKGs without the supervising doctor's interpretation and final review.⁸

Additionally, all tasks and procedures performed by the PA must be documented in the appropriate medical record. Current law provides that supervising physicians who are dermatologists may not be required to review and cosign medical records or charts that are prepared by a PA.⁹

The Department of Health requires supervising physicians to review and cosign medical records or charts prepared by a PA. During the initial six months of supervision, the supervising doctor must review, sign and date all medical charts prepared by the PA within *seven* days. After six months, the supervising doctor must review, sign and date the medical charts within *thirty* days.¹⁰ Additionally, when prescribing a PA must note the prescription or dispensing of medication in the medical record and the supervising doctor must review and sign each notation.¹¹

It is the responsibility of the supervising doctor to ensure that the PA is knowledgeable and skilled in performing the tasks and procedures assigned. The supervising physician is responsible and liable for any and all acts of the PA. A doctor may only supervise up to four PAs at any one time.¹² According to the Board of Medicine, since Fiscal Year 06-07 there have been three MDs who have been the subject of disciplinary action for failing to adequately supervise the activities of PAs under their supervision.¹³

Prescribing Authority

PAs must apply for licensure to prescribe jointly with the supervising doctor. Additionally, each supervising doctor and prescribing PA must keep a written agreement (or protocol) that outlines the intent to delegate prescribing authority and which non controlled substances the PA is authorized to prescribe. The agreement must be signed and dated by all parties and maintained on file for at least five years and a copy must be provided to the respective board or council upon request.¹⁴ A copy is not usually requested unless an investigation of a disciplinary complaint occurs. The PA is restricted to

⁵ 64B8-30.012 and 64B15-6.010 F.A.C.

⁶ 64B8-30.001 and 64B15-6.001 F.A.C.

⁷ *Ibid.*

⁸ 64B8-30.012 and 64B15-6.010 F.A.C.

⁹ Sections 459.025(3)(c) and 458.348(4)(c), F.S.

¹⁰ *Ibid.*

¹¹ Sections. 458.347(4)(e)8. and 459.022(4)(e)8., F.S.

¹² Sections 458.347(3) and 459.022(3), F.S.

¹³ Email from the Executive Director of the Florida Board of Medicine, dated February 26, 2009, is on file with Health Care Regulation Policy Committee.

¹⁴ 64B8-30.0074 and 64b15-6.0037 F.A.C.

prescribing drugs that are used in the supervising doctor's practice.¹⁵ A PA is *not* allowed to prescribe controlled substances.

Prior to receiving a license to prescribe, a PA must complete a three-hour medical education course in prescriptive practice and complete at least three months of clinical experience in the specialty area of the supervising physician. Additionally, the PA must submit a supervision data form. This form must be updated within 30 days of a change in employment or supervision to the respective board. If notification does not occur a notice is issued and then followed by a citation for noncompliance. According to the Board of Medicine, 60 notices were issued for failure to submit an updated supervision form to a board between July 2008 and June 2009.

Effect of Proposed Changes

The bill prohibits requiring doctors to review and cosign medical records or charts that are prepared by a PA. However, physicians may choose to review and cosign medical records or charts prepared by PAs. The bill deletes the requirement that a supervising physician must review and sign each prescription or dispensing medication notation made by a prescribing PA. The changes are made to the respective practice acts for medical doctors and doctors of osteopathic medicine.

B. SECTION DIRECTORY:

Section 1. Amends 458.347, F.S. relating to physician assistants.

Section 2. Amends 459.022, F.S. relating to physician assistants.

Section 3. Provides an effective date of July 1, 2009.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Not applicable.

2. Expenditures:

Not applicable.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Not applicable.

2. Expenditures:

Not applicable.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

¹⁵ Sections 458.347(4) and 459.022(4), F.S.

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of a state tax sharing with counties or municipalities.

2. Other:

Not applicable.

B. RULE-MAKING AUTHORITY:

The department appears to have sufficient rulemaking authority to implement the provisions of the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to physician assistants; amending ss.
 3 458.347 and 459.022, F.S.; providing that a supervising
 4 physician may not be required to review and cosign a
 5 physician assistant's charts or medical records; deleting
 6 certain supervisory physician requirements related to
 7 prescribing and dispensing medications noted in
 8 appropriate medical records; providing an effective date.

9
 10 Be It Enacted by the Legislature of the State of Florida:

11
 12 Section 1. Subsection (3) and paragraph (e) of subsection
 13 (4) of section 458.347, Florida Statutes, are amended to read:

14 458.347 Physician assistants.--

15 (3) PERFORMANCE OF SUPERVISING PHYSICIAN.--Each physician
 16 or group of physicians supervising a licensed physician
 17 assistant must be qualified in the medical areas in which the
 18 physician assistant is to perform and shall be individually or
 19 collectively responsible and liable for the performance and the
 20 acts and omissions of the physician assistant. A physician may
 21 not supervise more than four currently licensed physician
 22 assistants at any one time. A physician supervising a physician
 23 assistant pursuant to this section may not be required to review
 24 and cosign charts or medical records prepared by such physician
 25 assistant.

26 (4) PERFORMANCE OF PHYSICIAN ASSISTANTS.--

27 (e) A supervisory physician may delegate to a fully
 28 licensed physician assistant the authority to prescribe or

29 dispense any medication used in the supervisory physician's
 30 practice unless such medication is listed on the formulary
 31 created pursuant to paragraph (f). A fully licensed physician
 32 assistant may only prescribe or dispense such medication under
 33 the following circumstances:

34 1. A physician assistant must clearly identify to the
 35 patient that he or she is a physician assistant. Furthermore,
 36 the physician assistant must inform the patient that the patient
 37 has the right to see the physician prior to any prescription
 38 being prescribed or dispensed by the physician assistant.

39 2. The supervisory physician must notify the department of
 40 his or her intent to delegate, on a department-approved form,
 41 before delegating such authority and notify the department of
 42 any change in prescriptive privileges of the physician
 43 assistant. Authority to dispense may be delegated only by a
 44 supervising physician who is registered as a dispensing
 45 practitioner in compliance with s. 465.0276.

46 3. The physician assistant must file with the department,
 47 before commencing to prescribe or dispense, evidence that he or
 48 she has completed a continuing medical education course of at
 49 least 3 classroom hours in prescriptive practice, conducted by
 50 an accredited program approved by the boards, which course
 51 covers the limitations, responsibilities, and privileges
 52 involved in prescribing medicinal drugs, or evidence that he or
 53 she has received education comparable to the continuing
 54 education course as part of an accredited physician assistant
 55 training program.

56 4. The physician assistant must file with the department,
 57 before commencing to prescribe or dispense, evidence that the
 58 physician assistant has a minimum of 3 months of clinical
 59 experience in the specialty area of the supervising physician.

60 5. The physician assistant must file with the department a
 61 signed affidavit that he or she has completed a minimum of 10
 62 continuing medical education hours in the specialty practice in
 63 which the physician assistant has prescriptive privileges with
 64 each licensure renewal application.

65 6. The department shall issue a license and a prescriber
 66 number to the physician assistant granting authority for the
 67 prescribing of medicinal drugs authorized within this paragraph
 68 upon completion of the foregoing requirements. The physician
 69 assistant shall not be required to independently register
 70 pursuant to s. 465.0276.

71 7. The prescription must be written in a form that
 72 complies with chapter 499 and must contain, in addition to the
 73 supervisory physician's name, address, and telephone number, the
 74 physician assistant's prescriber number. Unless it is a drug or
 75 drug sample dispensed by the physician assistant, the
 76 prescription must be filled in a pharmacy permitted under
 77 chapter 465 and must be dispensed in that pharmacy by a
 78 pharmacist licensed under chapter 465. The appearance of the
 79 prescriber number creates a presumption that the physician
 80 assistant is authorized to prescribe the medicinal drug and the
 81 prescription is valid.

82 8. The physician assistant must note the prescription or
 83 dispensing of medication in the appropriate medical record, ~~and~~

84 | ~~the supervisory physician must review and sign each notation.~~
 85 | ~~For dispensing purposes only, the failure of the supervisory~~
 86 | ~~physician to comply with these requirements does not affect the~~
 87 | ~~validity of the prescription.~~

88 | 9. This paragraph does not prohibit a supervisory
 89 | physician from delegating to a physician assistant the authority
 90 | to order medication for a hospitalized patient of the
 91 | supervisory physician.

92 |
 93 | This paragraph does not apply to facilities licensed pursuant to
 94 | chapter 395.

95 | Section 2. Subsection (3) and paragraph (e) of subsection
 96 | (4) and of section 459.022, Florida Statutes, are amended to
 97 | read:

98 | 459.022 Physician assistants.--

99 | (3) PERFORMANCE OF SUPERVISING PHYSICIAN.--Each physician
 100 | or group of physicians supervising a licensed physician
 101 | assistant must be qualified in the medical areas in which the
 102 | physician assistant is to perform and shall be individually or
 103 | collectively responsible and liable for the performance and the
 104 | acts and omissions of the physician assistant. A physician may
 105 | not supervise more than four currently licensed physician
 106 | assistants at any one time. A physician supervising a physician
 107 | assistant pursuant to this section may not be required to review
 108 | and cosign charts or medical records prepared by such physician
 109 | assistant.

110 | (4) PERFORMANCE OF PHYSICIAN ASSISTANTS.--

111 (e) A supervisory physician may delegate to a fully
 112 licensed physician assistant the authority to prescribe or
 113 dispense any medication used in the supervisory physician's
 114 practice unless such medication is listed on the formulary
 115 created pursuant to s. 458.347. A fully licensed physician
 116 assistant may only prescribe or dispense such medication under
 117 the following circumstances:

118 1. A physician assistant must clearly identify to the
 119 patient that she or he is a physician assistant. Furthermore,
 120 the physician assistant must inform the patient that the patient
 121 has the right to see the physician prior to any prescription
 122 being prescribed or dispensed by the physician assistant.

123 2. The supervisory physician must notify the department of
 124 her or his intent to delegate, on a department-approved form,
 125 before delegating such authority and notify the department of
 126 any change in prescriptive privileges of the physician
 127 assistant. Authority to dispense may be delegated only by a
 128 supervisory physician who is registered as a dispensing
 129 practitioner in compliance with s. 465.0276.

130 3. The physician assistant must file with the department,
 131 before commencing to prescribe or dispense, evidence that she or
 132 he has completed a continuing medical education course of at
 133 least 3 classroom hours in prescriptive practice, conducted by
 134 an accredited program approved by the boards, which course
 135 covers the limitations, responsibilities, and privileges
 136 involved in prescribing medicinal drugs, or evidence that she or
 137 he has received education comparable to the continuing education

138 course as part of an accredited physician assistant training
 139 program.

140 4. The physician assistant must file with the department,
 141 before commencing to prescribe or dispense, evidence that the
 142 physician assistant has a minimum of 3 months of clinical
 143 experience in the specialty area of the supervising physician.

144 5. The physician assistant must file with the department a
 145 signed affidavit that she or he has completed a minimum of 10
 146 continuing medical education hours in the specialty practice in
 147 which the physician assistant has prescriptive privileges with
 148 each licensure renewal application.

149 6. The department shall issue a license and a prescriber
 150 number to the physician assistant granting authority for the
 151 prescribing of medicinal drugs authorized within this paragraph
 152 upon completion of the foregoing requirements. The physician
 153 assistant shall not be required to independently register
 154 pursuant to s. 465.0276.

155 7. The prescription must be written in a form that
 156 complies with chapter 499 and must contain, in addition to the
 157 supervisory physician's name, address, and telephone number, the
 158 physician assistant's prescriber number. Unless it is a drug or
 159 drug sample dispensed by the physician assistant, the
 160 prescription must be filled in a pharmacy permitted under
 161 chapter 465, and must be dispensed in that pharmacy by a
 162 pharmacist licensed under chapter 465. The appearance of the
 163 prescriber number creates a presumption that the physician
 164 assistant is authorized to prescribe the medicinal drug and the
 165 prescription is valid.

166 8. The physician assistant must note the prescription or
 167 dispensing of medication in the appropriate medical record, ~~and~~
 168 ~~the supervisory physician must review and sign each notation.~~
 169 ~~For dispensing purposes only, the failure of the supervisory~~
 170 ~~physician to comply with these requirements does not affect the~~
 171 ~~validity of the prescription.~~

172 9. This paragraph does not prohibit a supervisory
 173 physician from delegating to a physician assistant the authority
 174 to order medication for a hospitalized patient of the
 175 supervisory physician.

176

177 This paragraph does not apply to facilities licensed pursuant to
 178 chapter 395.

179 Section 3. This act shall take effect July 1, 2009.



A.G. HOLLEY STATE HOSPITAL

Florida's Public Health Hospital

Raymond Collins, Chief Executive Officer
David Ashkin, Medical Executive Director

Jean L. Kline, RN, BSN, MPH
Deputy Secretary for Health – Public Health Programs



- ❖ **Function: Essential and integral part of Florida's Public Health Infrastructure**
- ❖ **History**
- ❖ **A.G. Holley Facts**
- ❖ **Issues at hand**
- ❖ **HB 5003**
- ❖ **ITN**
- ❖ **Summary**



A.G. Holley - Assure the Cure



A.G. HOLLEY HOSPITAL

Function

- Essential and integral part of Florida's Public Health Infrastructure
- Nationally recognized as a leader in TB Control
- Acknowledged to be more effective and cost efficient than other alternatives, saving Florida's taxpayers money and protecting its citizens
- Sought as an academic and research partner to add to State BioTech Economic Development Plan
- 70% of patients are uninsured and, therefore, most of the cost of operating A.G. Holley is borne by the State to assure the cure



History

- TB treatment over the decades underwent changes from the sanatorium to community hospital and now to outpatient care thanks to powerful TB medications.
- Built in 1950, A.G. Holley Hospital in Lantana is the only remaining of four state hospitals in Florida to treat TB patients - Orlando, Tallahassee and Tampa closed decades ago.
- Today, A.G. Holley is dedicated to curing TB patients who have failed treatment in conventional settings and to providing long-term inpatient care for the most difficult and complex TB cases in Florida.



Tuberculosis

- In 2007, 980 cases of TB were reported in Florida
 - A 45% decrease in cases since 1994 (1,764 cases)
- Florida is 4th in the nation for TB cases and cares for the 4th highest number of MDR-TB in the Nation
- Multi-drug resistant (resistant to the 2 most powerful anti-tuberculosis drugs), extensively drug-resistant (resistant to at least 4 drugs) and some even more resistant.
- On February 28, 2009, A.G. Holley has 32 patients hospitalized and 30% are harboring drug-resistant TB bacteria and 10% MDR/XDR.
- Most cases admitted to A.G. Holley are from Miami-Dade, Broward, Palm Beach, Orange, Hillsborough, and Duval County. However, patients have come from the entire state to assure the cure.



Infrastructure

- The Agency for Health Care Administration (AHCA) licenses AG Holley as an acute care hospital with a capacity of 100 beds. However, we are budgeted for 35-40 patients
- All designated patient rooms use non-shared air conditioning, heating, and ventilation systems that exhaust 100% of filtered air to the outside.
- The hospital maintains negative pressure in isolation rooms and uses ultra violet light and personal protective equipment to minimize the risk of exposure to non-infected individuals.



Accomplishments

- A.G. Holley has a cure rate of 93% - ***unsurpassed rates of cure for medically complex TB cases in the Nation.***
 - A.G. Holley has been acknowledged by Centers for Disease Control and Prevention as a specialized TB treatment center
 - *Plan to combat extensively drug-resistant TB – Recommendations of the Federal TB Task Force, February 13, 2009 .*
 - A.G. Holley, in its systems approach, works closely with the county health departments and community partners to provide certainty of cure.
 - A.G. Holley is the state's facility for those infectious TB patients who CANNOT be treated safely in the community as they have failed numerous attempt at this therapy and no other facility has the capabilities to treat these patients.
-



Admissions

- Patients are referred to A.G. Holley through the county health departments.
- Patients are screened in advance for possible outpatient treatment. Patients that can be treated on an outpatient basis are not admitted to the hospital.
- Once admitted, most patients must undergo intensive therapy, either for their TB, HIV, HCV (Hepatitis “C” Virus) or other concomitant conditions.



Capacity

- The hospital has a maximum daily capacity of 50 patients.
- Over the past 3 years, the daily census has ranged from 32 and 42 patients per day (average 37 patients).
 - There are times when the availability of 16 negative pressure rooms limits admissions.
- The average length of stay “to cure” is about 170 days.



Patient Profile

Patients who do not comply with treatment regimes are at risk of developing and spreading multi drug resistant (MDR) and extensively drug resistant (XDR) strains of tuberculosis to the community.

An XDR case of TB can cost as much as \$483,000 and two years to cure and the risk of mortality is much greater.



Patient Profile

- ❖ Patients who do not comply with treatment regimes are at risk of developing and spreading multi drug resistant (MDR) strains of tuberculosis to the community.
- ❖ Most patients have one or more of the following complicating factors:
 - Chronic diseases that interfere with the body's immune system, such as HIV infection
 - Drug and alcohol dependency
 - Mental illness
 - Lack of social support networks
 - Drug Resistant Strains
 - Malnutrition
 - Uninsured
- ❖ AG Holley offers these patients a safe place with exceptional staff to be cared for until they are cured.

Patient Costs

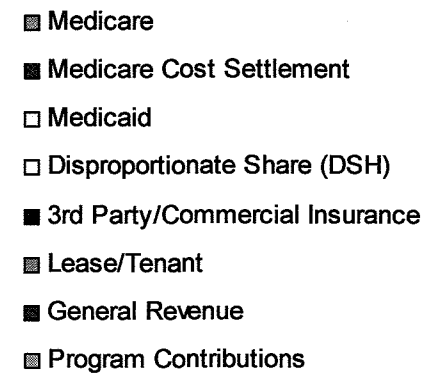
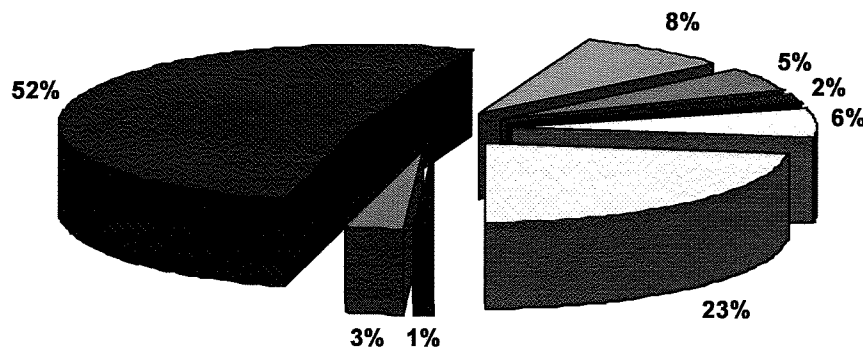
- AG Holley treats patients until they are cured – *regardless of their ability to pay*
- Average cost per patient day -- \$664
 - Included in this cost/day are payments for patient referrals to areas hospitals and for outpatient procedures
- Average length of stay – 170 days
 - Some extensive drug resistance (XDR) patients may need to stay up to 2 years
- The hospital has received level funding for more than 10 years, while the medical inflation rate increased by 90% during the same timeframe



REVENUES

FISCAL YEAR 2007 -2008

Medicare	\$521,315	5%
Medicare Cost Settlement	\$208,365	2%
Medicaid	\$671,632	6%
Disproportionate Share (DSH)	\$2,444,444	23%
3rd Party/Commercial Insurance	\$107,868	1%
Lease/Tenant	\$343,658	3%
General Revenue	\$5,500,000	52%
<u>Program Contributions</u>	<u>\$859,774</u>	<u>8%</u>
TOTAL	\$10,657,056	100.00%

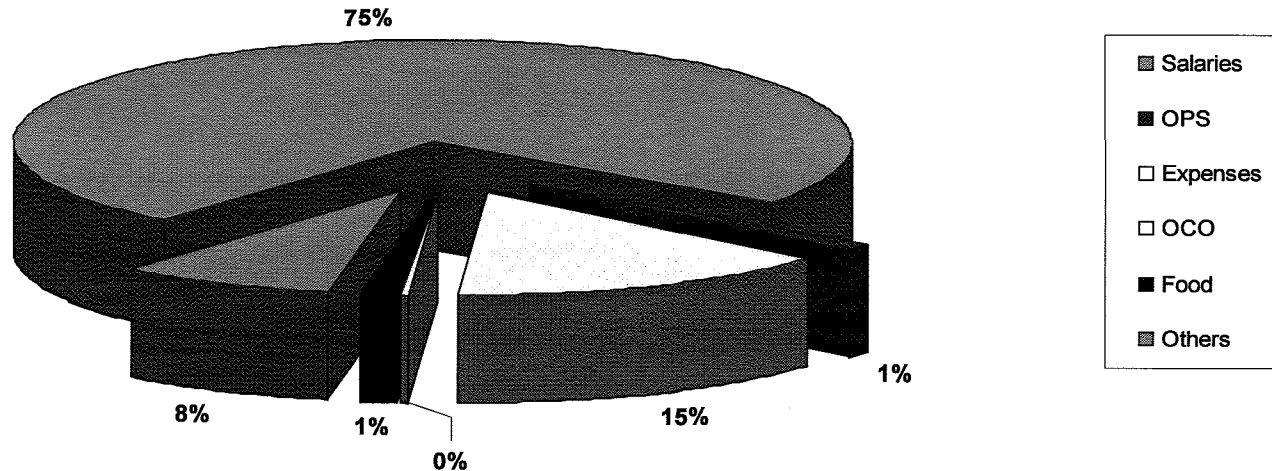




EXPENDITURES

FISCAL YEAR 2007 -2008

Salaries	\$7,745,271	(73.97%)
OPS	\$99,400	(0.95%)
Expenses	\$1,565,112	(14.95%)
OCO	\$31,081	(0.30%)
Food	\$149,274	(1.43%)
Others	\$881,029	(8.41%)
TOTAL	\$10,471,167	

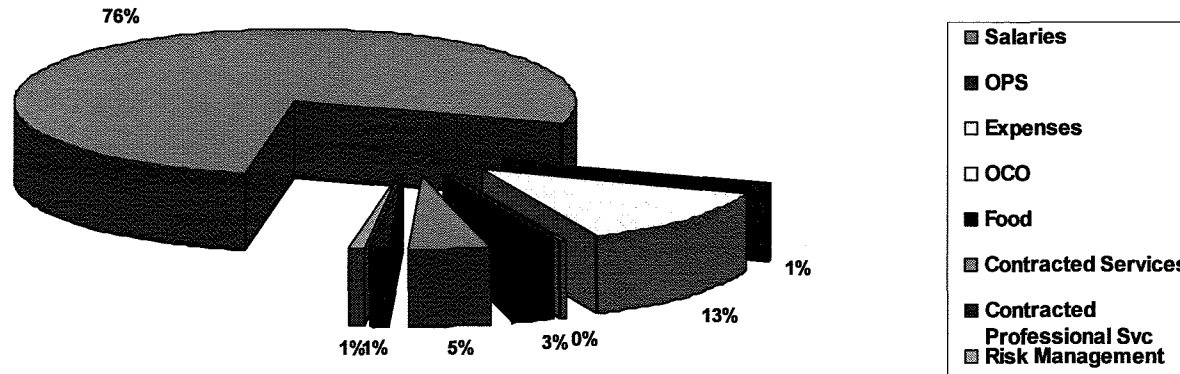




BUDGET ALLOCATION

FISCAL YEAR 2008 -2009

Salaries	\$8,183,208
OPS	\$76,211
Expenses	\$1,348,854
OCO	\$24,086
Food	\$273,800
Contracted Services	\$495,685
Contracted Professional Svc	\$124,480
Risk Management Insurance	\$84,203
TOTAL	\$10,610,527





Staffing

Total staff = 171 FTEs

Most of the staff directly support patient care and hospital operations, while others operate utilities and maintain the campus.



A.G. HOLLEY HOSPITAL

Florida's Public Health Hospital



Will Cover:

- ❖ History of the property
- ❖ 2008 Legislative direction
- ❖ Current open procurement
(To the extent allowable by law)



Future Plans - History

- 2003, Secretary Agwunobi discusses the development of the A.G. Holley campus with the Town of Lantana to better utilize this valuable site
- 2004 the Florida Legislature at the urging of the Town of Lantana appropriates \$1.25 million dollars to develop a site plan for the "Florida Institute of Public Health"
- December 2004: A state advisory council begins meeting to decide the future of the A.G. Holley campus in Lantana
- January 2006: Plans for a medical research center on the site, almost complete, to include a new 50-bed hospital that the state Department of Health would run
- July 2006: Department of Health releases RFI for privatization of the hospital. Only GEO Care Group responds
- October 2006: Study authorized on feasibility to privatize the hospital
- January 2007: Jacobs Group provides final recommendations
- 2008: Legislature passes HB 5003



Future Plans - HB 5003

287.057 Procurement of commodities or contractual services. (14)(c) The Department of Health shall enter into an agreement, not to exceed 20 years, with a private contractor to finance, design, and construct a hospital, of no more than 50 beds, for the treatment of patients with active tuberculosis and to operate all aspects of daily operations within the facility. The contractor may sponsor the issuance of tax-exempt certificates of participation or other securities to finance the project, and the state may enter into a lease-purchase agreement for the facility. The department shall begin the implementation of this initiative by July 1, 2008. This paragraph expires July 1, 2009.



Future Plans – ITN

- Finance, design, and construct a hospital
- OTTED tasked with developing an “Invitation To Negotiate” (ITN) that fulfills statutory language.
- May 2008: ITN released by OTTED.
- June 2008: Letters of Intent to submit received by National Jewish Hospital, Lauth Group, University of Florida and MGE Architects
- June 2008: Clarifications requested by proposers.
- July 2008: Responses to all questions received shared with all parties who expressed intent
- Oct 6, 2008: Proposals submitted to OTTED
3 of 4 interested groups submit joint proposal - Lauth Group, University of Florida and MGE Architects.
- Oct 16, 2008: Review committee assessment and deliberations.
- Oct 31, 2008: Committee conference call to address options



Future Plans – ITN

- Nov 4, 2008: OTTED sends prepared follow up questions to Lauth
- Nov 21, 2008: Proposer response to follow up questions
- Dec 3, 2008: Recommendation submitted to Governor to proceed with negotiations
- Jan 16, 2009: Authorization to proceed with negotiations
- Feb 6, 2009: Conference call to establish negotiation team
 - Dale Brill, OTTED
 - Linda South, DMS
 - Karen Zeiler, DOH
 - Dr. David Ashkin, DOH (AG Holley)
 - Mike Bornstein, Town of Lantana
- Mar 6, 2009: Negotiations begin.

**A.G. Holley
Procurement
Documents**

A.G. Holley State Hospital Procurement

HB 5003 (2008)

Section 5. Effective upon this act becoming a law, in order to implement Specific Appropriations 552, 554, 560, 562, and 563 of the 2008-2009 General Appropriations Act, paragraph (c) is added to subsection (14) of section 287.057, Florida Statutes, to read:

287.057 Procurement of commodities or contractual services.—

(14)

(c) The Department of Health shall enter into an agreement, not to exceed 20 years, with a private contractor to finance, design, and construct a hospital, of no more than 50 beds, for the treatment of patients with active tuberculosis and to operate all aspects of daily operations within the facility. The contractor may sponsor the issuance of tax-exempt certificates of participation or other securities to finance the project, and the state may enter into a lease-purchase agreement for the facility. The department shall begin the implementation of this initiative by July 1, 2008. This paragraph expires July 1, 2009.

2008-153 Laws of Florida

REVISED
Exhibit A: Review Process Timeline

- May 21, 2008: ITN process announced and published.
- June 9: Interested parties must express their *intent to submit* a proposal by 5 p.m. via e-mail to Michelle Ramsey, Senior Attorney, in the Governor's Office of Tourism, Trade and Economic Development (OTTED) at michelle.ramsey@eog.myflorida.com.
- June 23: Parties having submitted an *intent to submit* letter may submit questions by 5 p.m. via e-mail to Michelle Ramsey, michelle.ramsey@eog.myflorida.com.
- July 11: Responses to all questions received by all parties will be shared with all parties who expressed intent. Answers will be distributed via e-mail by 5 p.m.
- October 6: Seven (7) hard copies of proposals due to OTTED's office at 1902 The Capitol, Tallahassee, FL, by 5 p.m. E-mail and fax delivery will not be accepted. Send submissions to the attention of Michelle Ramsey, Lead Counsel.
- October 16: Review committee assessment and deliberations.
- October 27: Committee submits follow up questions to OTTED
- November 4: OTTED sends prepared follow up questions to Proposer
- November 17-21: Proposer response to follow up questions due (Proposer selects method of response)
- December 1-5: Committee recommendation(s) delivered to Governor Crist.
- Week of Dec 8: Invitation to Negotiate awarded.

Notice of Bid/Request for Proposal

EXECUTIVE OFFICE OF THE GOVERNOR **Office of Tourism, Trade and Economic Development**

Economic Development Project for Lantana, FL **A.G. Holley Hospital** **Invitation to Negotiate**

I. OVERVIEW

This document outlines an invitation to negotiate (ITN) created to facilitate economic development in Lantana, Florida on state-owned property currently occupied by A.G. Holley Hospital (AGH Hospital). AGH Hospital has been established in Lantana since 1950. Currently, AGH Hospital's mission, as a public health institute, is to care for noncompliant, as well as medically complex patients who, if not confined, treated and subsequently cured, would cause a threat to public health. The AGH Hospital complex is located on approximately 145 acres on Lantana Road just east of I-95. The property represents about 8% of the total land area of the Town of Lantana.

Dramatic growth in the region has increased demand for space and increased the value of real estate. Local residents have expressed concern that the property is underutilized and have encouraged the State to work collaboratively in pursuit of its highest and best use, specifically potential redevelopment with the designation of mixed-use tax-producing property, preservation of the natural scrub habitat, and preservation of recreational ball fields on the site. Multiple tenants currently occupy non-hospital related structures on the property.

II. INVITATION TO NEGOTIATE OVERVIEW

This ITN, extended to all qualifying parties by the State of Florida, will conclude on or about the week of October 27, 2008, with a final decision by Governor Charlie Crist to initiate contractual negotiations congruent to the stated objectives of this project as met by plans articulated in proposal(s) submitted by the designated awardee. Note that the deadlines as originally detailed in this document (see also Exhibit A) may be subject to extension to provide more time as determined necessary.

Proposals submitted for consideration in this review process must address, to the greatest extent possible, the economic development objectives identified in the Project Objectives and Project Requirements sections (IV and V) of this document. Proposals may be rejected if minimum requirements (see Section III) are not met. A single entity may submit a proposal on behalf of a consortium of partners whose individual roles address specific components of a collective plan.

Florida law requires the Department of Health to exercise the policy powers of the State for the control of tuberculosis for those persons who are posing a public health threat. Only the Department of Health may seek an order for hospitalization, residential isolation, or placement of a non-compliant patient with active TB. Circuit courts in Florida, on petition of the DOH and after hearing, may order a sheriff to take custody of a patient and deliver them to A.G. Holley. Tuberculosis is the only communicable

disease which, under Florida law, may subject a person to involuntary hospitalization for up to 180 days. See Exhibit D: Admission Criteria for State Tuberculosis Hospital for additional background related to TB care in the State of Florida.

All proposers wishing clarification of elements in this document must submit questions via e-mail to Michelle Ramsey, Senior Attorney, in the Governor's Office of Tourism, Trade and Economic Development (OTTED) as prescribed under Review Process Timeline no later than **5:00 p.m. on June 23, 2008 Eastern Daylight Savings Time**. All questions posed by qualifying proposers (see Section III: Minimum Requirements) will be compiled within a single, collective document with corresponding answers and sent back to all qualified proposers via e-mail on or before July 11, 2008.

Additional detail on the timeline is provided under the Review Process Timeline in Exhibit A.

Costs for developing proposals are entirely the responsibility of the proposer and shall not be reimbursed by the State of Florida. All proposals received in response to this process will be evaluated by a committee (See Exhibit B) charged with making a recommendation to the Governor.

The award of a final invitation to negotiate (ITN) does not guarantee the awarding of a contract, rather it allows both parties to engage in negotiations toward a mutually beneficial relationship. In the event that negotiations fail to realize a binding contract, the State retains the right to re-open negotiations with an alternative proposer(s) until a mutually beneficial relationship is secured. The State also retains the right to enter into multiple independent negotiations based on desirable portions of different qualifying proposals; however, preference will be given to comprehensive plans.

III. MINIMUM REQUIREMENTS

1. Notice of Intent to Submit: A written Notice of Intent to Submit must be received by **June 9, 2008**. The notice letter should be e-mailed as an attachment to Michelle Ramsey, OTTED's Senior Attorney, at michelle.ramsey@eog.myflorida.com. A return e-mail acknowledgment will be issued, which will serve as confirmation of receipt. The Notice of Intent to Submit is non-binding; however, it ensures the delivery of all addenda related to this review process. Proposals will be accepted and considered only from applicants who submitted a timely Notice of Intent to Submit.

2. Response to Project Scope: Seven (7) hard copies must be delivered to OTTED by close of business on September 22, 2008. All proposals must sufficiently detail a plan, including financial pro formas and demonstration of meeting requirements articulated in Sections IV and V below. Proposals that involve multiple organizations within a single plan should describe and reveal the roles and responsibilities of each organization, including corporate structures, and business relationships or affiliations created to fulfill specific elements of the proposal.

IV. PROJECT OBJECTIVES

The desired proposal will provide for economic development, including higher-wage job creation and the generation of local and state tax revenues creating the greatest financial benefit to the Town of Lantana and Palm Beach County while also accommodating the best fit addressing the Town of Lantana's vision and concerns listed below:

Vision

- Use public/private partnerships to attract high quality businesses and jobs to Lantana;
- Redevelop site as an integral part of the surrounding community;
- Create revenue producing light industrial/flex-space and mixed use areas;
- Address cost of Town services;
- Maintain recreational areas on site or nearby;
- Preserve the natural habitat.

Local Concerns

- Ensure redevelopment benefits community by:
 - Providing for participation of the Town of Lantana in redevelopment plan;
 - Weaving the plan into the fabric of the community;
 - Addressing financial impacts on the Town of Lantana.

In addition to applying the above general considerations in the review of proposals, specific objectives have been identified against which proposals merit will be weighed:

- a) The main undeveloped vegetative area on the site, referred to as “scrub” habitat, which occupies approximately 35 acres along the north side of the site, has been identified for preservation. A long-term lease of the land from the State to the County is anticipated. This portion of the property will not be available for redevelopment or inclusion in proposals outside of this intended use. Greenway-type development that may be necessary, as well as ongoing maintenance costs, will be assigned to the County as a term of the lease.
- b) Execution of the proposed plan(s) must be cost neutral for the State, County and Town. Financial contributions made by the State are limited to the market or potential value of the land and buildings.
- c) Considering the critical care nature of the services provided by AGH Hospital, it is the State’s desire to continue the services provided by the hospital in its current or alternative location within Florida; and that its employees will remain on staff, or at the minimum, be given first consideration for hire, should the program be successfully transitioned.
- d) Provision for the preservation of current recreational space (i.e., ball fields) on some portion of the property is desirable; relocation is also an option.
- e) Academic and private partners should be key players in the plans developed for this project. Academic collaboration may include, but not be limited to, research and development, tech transfer, clinical services and education. Private partner involvement may include, but not be limited to, financing, business incubation, and commercial and/or residential development.
- f) Preference will be given to plans that use a portion of the property to create a center for technology and innovation that leverages the areas designation as one of the emerging centers of bioscience innovation in the world.

V. PROJECT REQUIREMENTS

Health Care Provider

In addition to the Project Objectives herein, there are expected elements within submissions of proposals, or portions of proposals, specifically related to the provision of health care services consistent with those currently provided by AGH Hospital:

1. Must demonstrate expertise and capabilities necessary to provide care for the most difficult cases of tuberculosis (TB) that cannot be treated in the community, including details on the provision of all of the following services: medical, surgical, psychological, behavioral, pharmacologic, nursing, infection control, radiological, respiratory, legal, environmental control, nutritional, medical records, laboratory, and transport, as well as the public health aspects, including epidemiologic responsibilities.
2. Must have expertise and proven experience (at least ten years of documented performance) in core public health care activities and evidence of integration into the public health infrastructure.
3. Must be intimately involved in protecting the public's health from TB, including those patients who cannot be treated in the community.
4. To protect the public's health specific to tuberculosis patients, must consult with and abide by Bureau of TB/DOH physician decisions concerning admissions, discharges and subsequent community care coordination. Must admit tuberculosis patients that meet admissions criteria as set forth by the Bureau of TB/DOH (see attachment), regardless of reimbursement for care.
5. Must be willing to provide all necessary care, including but not limited to, surgery and pharmacologic support, regardless of reimbursement. Must be able to provide all necessary consultant specialty services either in-house or have the mechanisms to provide for such services via contract or agreement, with close proximity to a comprehensive medical center, including assuming cost of care in other facilities if transfer is necessary.
6. Must be willing to keep patients as in-patients until cured, in cases where they have failed therapy as outpatients or such therapy cannot be accomplished in such setting.
7. Must be willing to allow the Bureau of TB or the Florida DOH to make decisions concerning admissions and discharges specific to TB cases.
8. Must have expertise and proven documented experience in the provision of the necessary TB training, education and consultation (24 hour, 365 days a year) to medical professionals and must be willing and able to continue the obligations of the grants and studies that have been procured by AGH Hospital and its partners.
9. Must work with the Bureau of TB, which will serve as the contract manager, and agree to comply with the prescribed monitoring of the contract.
10. Must maintain all licensure requirements.

11. Must have the facilities and serve as an airborne infection isolation facility, as determined by the DOH, in case of an outbreak of an airborne spread pathogen, such as SARS, avian or pandemic flu and/or massive displacement/migration of at-risk populations.

12. Any new or refurbished building(s) must exceed all applicable hurricane requirements and must be able to be prepared to function during and after such an event (i.e., backup generators, etc.).

13. Provide a safe environment with the required specialized environmental protections and maintenance to assure the safety of the patients, staff and community.

14. Provide a safe environment with the required specialized security to assure the precautions for elopement of patients to assure cure as well as the safety of the patients, staff and community.

Land Redeveloper

In addition to the Project Objectives herein, there are desired elements and minimum requirements for submission of proposals specifically related to the provision of land redevelopment. Exhibits to this ITN include aerial photographs of the existing site for reference and planning purposes. The proposals shall include the following elements:

a) Feasibility Study

Responders shall provide a property valuation report on highest and best use of site. This analysis shall include a feasibility study outlining the financial impact based upon the following:

- Land use options, zoning, and site suitability.
- DRI/permitting and/or regulatory constraints that may currently exist on the site and options to overcome those challenges
- Options related to the use of the existing AG Holley Hospital as outlined earlier in this ITN. That analysis should include keeping the existing hospital in the plan, subdividing it as part of a teaching hospital, relocating the services of that hospital altogether, asbestos abatement, etc. Each scenario should outline cost/benefits of each option and how it impacts the overall development plan for the site.
- Incorporation of the following elements into the proposed development plan:
 - Possible conference/hotel facilities to allow for hosted events for scientists and industry experts
 - Protection and preservation of the “scrub” area for habitat and conservation
 - Research, laboratory and business incubator space to support core functions of resident high-growth companies. Offering resources for these companies provides a constant supply of innovation and new business ventures to existing efforts.
 - Development of a campus environment to encourage social interaction
 - Housing options for students and professional resources that would provide opportunities for a “live, work and play” atmosphere
 - Access to transportation options for the site and greater Lantana area
 - Allow for future growth if possible
 - Relocation of the ball fields on or off site

Each of these elements shall be addressed both “as-is” and “to-be” for redevelopment scenario considerations. Additionally, options that include proposals for the relocation of the AG Holley facility to another site must also address the construction and operational costs of the new facility.

Site development scenarios should include both phased development and full build out options. Include description of space to be developed for primary bio-science user and space for ancillary or support uses. Primary uses may include stand alone clients or hybrid clients supporting other bio-science/life science businesses in the State.

b) Financing Options

The State will entertain any/all financing options that would enable the desired program to be developed on this site. Those options may include:

- Sale/lease-back scenario
- Tax Exempt (COPS) capital lease financing
- Credit Tenant Lease financing
- Full disposition of the site to the Land Developer
- Long term land-lease with reverter after 50 years
- Others

c) Sustainability

All new building(s) will be constructed to USGBS LEED sustainability standards, with preference given to proposals attaining the higher certification level.

d) Qualifications

Specific related and recent experience in site design, engineering, land use planning, programming, architectural services, infrastructure, estimating, financing and real property master planning is desired. Selection of finalists for interview will be made on the basis of qualifications including the specific experience, ability, location, volume of workload, experience with State Agency construction/development projects, and current workload. Firms must provide proof of proper registration at the time of submittal for any professional services listed in the submittal. Selections will be made in accordance with Section 287.055, F.S. utilizing the DMS Professional Services Selection form.

Exhibit A: Review Process Timeline

- May 21, 2008: ITN process announced and published.
- June 9: Interested parties must express their *intent to submit* a proposal by 5 p.m. via e-mail to Michelle Ramsey, Senior Attorney, in the Governor's Office of Tourism, Trade and Economic Development (OTTED) at michelle.ramsey@eog.myflorida.com.
- June 23: Parties having submitted an *intent to submit* letter may submit questions by 5 p.m. via e-mail to Michelle Ramsey, michelle.ramsey@eog.myflorida.com.
- July 11: Responses to all questions received by all parties will be shared with all parties who expressed intent. Answers will be distributed via e-mail by 5 p.m.
- October 6: Seven (7) hard copies of proposals due to OTTED's office at 1902 The Capitol, Tallahassee, FL, by 5 p.m. E-mail and fax delivery will not be accepted. Send submissions to the attention of Michelle Ramsey, Lead Counsel.
- Oct. 6 – Oct. 20: Review committee assessment and deliberations.
- Oct. 21: Invitations for in-person presentations issued to finalist(s) via e-mail and telephone.
- Oct. 27 - 31: In-person presentations in Tallahassee (if determined desirable).
- Nov 3 – Nov 14: Committee recommendation(s) delivered Governor Crist.
- Week of Nov 17: Invitation to Negotiate awarded.

Exhibit B: Review Committee Composition

Lori Rowe, Deputy Chief of Staff, Executive Office of the Governor
Shane Strum, Deputy Chief of Staff, Executive Office of the Governor
Carolynn Timmann, Assistant Deputy Chief of Staff
Linda South, Secretary, Department of Management Services
Dale A. Brill, Ph.D., Director, Governor's Office of Tourism, Trade & Economic Development
Holly Benson, Secretary, ACHA
Karen Murphy, Chief of Staff, Department of Health
Medical Physician with expertise in TB
Person with security transactions knowledge

Advisors:

The Honorable David Stewart, Mayor of Lantana
Michael Bornstein, Lantana Town Manager
Kelly Smallridge, CEO and President, Palm Beach County Economic Development
Mary Helen Blakeslee, Chief Analyst, OTTED
Others as desired.

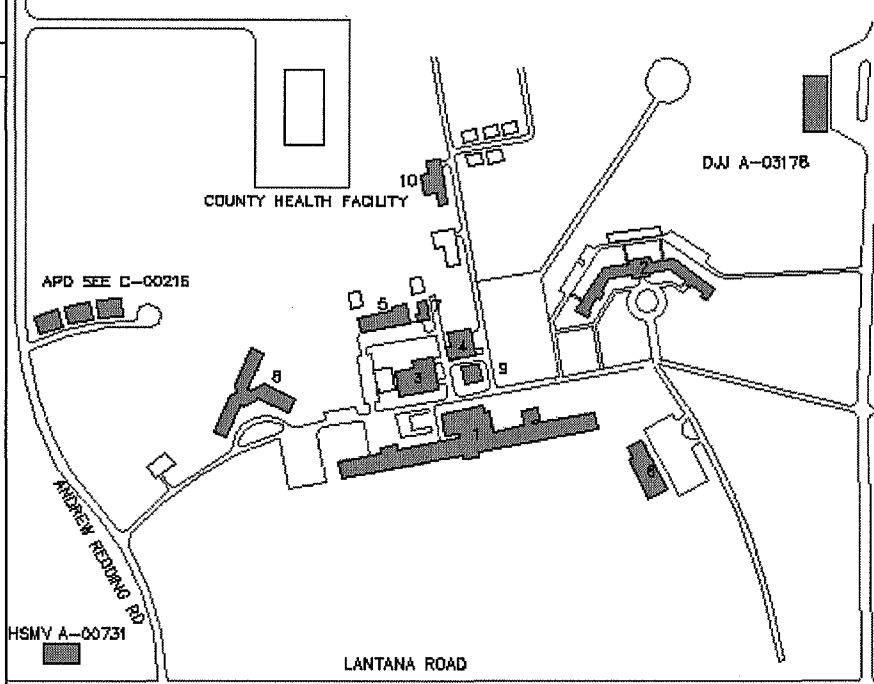
Exhibit C: Aerial Photography and State Facilities Inventory



COUNTY: PALM BEACH
AGENCY: DDH

FACILITY: DMS NO. /

- 1 HOSPITAL BLDG A-00529
- 2 BUILDING #2 A-00530
- 3 WAREHOUSE A-00532
- 4 BOILER ROOM A-00533
- 5 BUILDING #20 A-00534
- 6 WPB BRANCH LAB A-01803
- 7 WATER TREATMENT B-01980
- 8 BUILDING #3 A-00531
- 9 GENERATOR BLG B-04351
- 10 COTTAGE 19 A-04428



A.G. HOLLEY STATE
HOSPITAL

N 28-35.350 W 80-03.915

C-00022



TO I-95

Exhibit D: Admission Criteria for State Tuberculosis Hospital

All clients are referred through one of the sixty-seven (67) County Health Departments (CHDs). It must be determined that all other attempts to assist the client to be adherent with their treatment regimen (i.e., Directly Observed Therapy [DOT], Court Ordered DOT, etc.) have been exhausted or are not appropriate at the county level prior to admission.

First priority must be given to all clients who are court ordered through the County Health Departments.

Clients may be admitted if they meet the admission criteria for voluntary admission. If the client with active tuberculosis exhibits any non-adherence with therapy, a court order for involuntary admission should be obtained.

Clients being admitted must meet the following criteria:

1. A positive culture for *M. tuberculosis* **or**
2. A positive acid-fast bacillus (AFB) stain with a positive Nucleic Acid Amplification (NAA) probe for TB **and**
3. A highly suspicious clinical presentation, e.g., positive PPD, a chest x-ray (CXR) compatible with active tuberculosis or clinical symptoms which suggest TB, such as prolonged fever, chills, night sweats, weight loss, productive cough.

Voluntary admissions requiring in-client therapy must be:

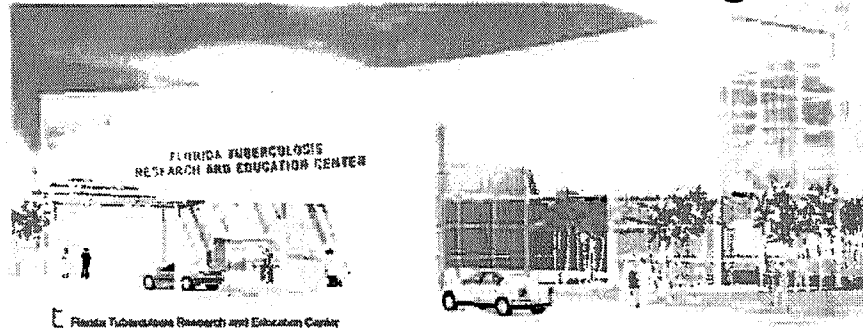
1. Multi-drug resistant tuberculosis (MDR-TB) clients and/or
2. Difficult or complicated cases of TB, characterized by:
 - a) Continued progression of disease despite apparent adequate therapy.
 - b) Clients requiring drug regimens which include medications requiring in-patient or parenteral administration which cannot be accomplished on an out-patient basis.
 - c) Clients unable to care for themselves as out-patients, due to the extent of their TB, or other concurrent illnesses without a more appropriate setting available.
 - d) Clients whose social conditions (e.g., the homeless, congregate living facilities, etc.) complicates treatment efforts via traditional out-client therapy and whose treatment in the community, via DOT or other community-based strategies of intervention, proves to be unsuccessful or not feasible.

The Office of Tourism, Trade, and Economic Development received proposals from:

Lauth Property Group (together with MGE Architects and the University of Florida)



Economic Development Project for Lantana, FL A.G. Holley Hospital Invitation to Negotiate



Submission by:

Lauth Property Group

121 S. Orange Avenue, Suite 1450
Orlando, Florida 32802

University of Florida

101 Newell Drive, Building 62
Gainesville, Florida 32611

MGE Architects

150 Alhambra Circle, Suite 700
Coral Gables, FL 33134

DATE

October 6, 2008



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Lauth Introduction

Lauth Property Group is a privately held commercial real estate firm and has been a leader in the development, acquisition, management and ownership of commercial real estate throughout the United States for the past 30 years. With six offices nationally we have successfully developed over \$3 billion dollars worth of commercial real estate in 35 states totaling over 35 million square feet. Lauth is currently ranked the 13th largest real estate developer in the United States which allows us the capital strength to structure projects so we work in the best interest of our clients. Lauth's solid experience offers clients both the flexibility and the financial strength necessary to complete any project. Lauth's clientele includes Fortune 500 firms, privately held corporations, Hospitals, REITs, public and private investors.

Project Interest

Lauth has the experience and financial strength to complete this challenging project with our primary goal and objective to be chosen as the "master developer" of the A.G. Holley redevelopment site. We will assemble a team of professionals that have similar experience and understanding of complex projects and also have the financial strength to complete a project of this magnitude assuring a successful, predictable outcome.

Partners & Team Selection

Lauth, the University of Florida, and MGE Architects are teaming together to bring this project to fruition, forever changing the Town of Lantana. We have met with local consultants, architects, engineers and general contractors to review the project. These groups will be instrumental in completing this project. However, at this stage of the proposal process, we have chosen not to select our final team at this time. Instead, we will seek the most qualified and appropriate providers once more specific project parameters are outlined.

Our team commitment is to work closely with the Town of Lantana to assure that the overall project scope includes minority (MBE) and women owned business (WBE) participation, which will be an important component for the success of the project. We will also work closely with the Town to assure strong local labor participation is included. We will require our general contractor and sub-contractors to utilize the local workforce, provide adequate training and apprentice programs, thus assuring the project is of the highest quality construction, is on time and is within the projected budget.

Lauth Property Group is a full service real estate development firm, with a focus on Office, Retail, Health Care and Industrial development. Lauth will engage professional firms in some or all of the following categories, depending on the project needs.

- Urban Planning
- Architectural Design
- MEP Engineering
- Structural Engineering
- Pre-Construction
- General Contractor
- M/WBE

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- Policy Analysis
- Environmental Consultants
- Land Planning
- Landscape Architects
- Interior Design
- Traffic Consultant
- Parking Consultant
- Land use Attorney
- Legal
- Local Real Estate Brokers

We will "pre-qualify" groups that have the experience, the financial capabilities and the technical competencies for this project. We will have further discussions with potential team members once we have been selected to move forward with the next phase. This follows our philosophy that you as our client are part of our team selection process.

Overview

Tuberculosis (TB) remains a major public health problem for the state of Florida. There are approximately 1,000 new tuberculosis cases identified in Florida each year. In approximately 7% of these cases, the microorganism identified shows evidence of resistance to at least one of the standard anti-tuberculosis drugs, and, in one case this past year, the TB bacillus was resistant to all standard drugs (i.e., was essentially untreatable). The Florida Department of Health has developed a strong, state-wide TB control program to address this problem, anchored by the A.G. Holley TB Hospital in Lantana. The availability of this hospital permits the most serious cases (and the cases that represent the greatest risk to the community) to be hospitalized (sometimes under court order) under the care of TB experts. This optimizes the chance for successful treatment of these difficult cases, while minimizing the risk of further transmission of the disease within the state.

The existing A.G. Holley Hospital (AGH) was constructed in the early 1950's and designed to hold 300 patients. The hospital is seriously outdated and currently not economically viable with only 50 beds now in use. The hospital's location in the heart the 143 acre site is adversely affecting further economic development on the site and in the area. While the medical activities at AGH are currently loosely linked with University of Florida (UF), in part through the CDC-funded Southeastern National Tuberculosis Center, the facility presents major opportunities for research and training of which advantage is not currently being taken. TB is a global disease, with major funds now being directed toward its control at a national and international level, including funds from the U.S. government and the Gates Foundation. A facility such as AGH could serve as the hub for significant biotechnology activity directed toward development of much needed new therapies for TB, including drugs and vaccines – providing benefit to patients in Florida, as well as a source of economic development for the state.



Lauth Experience

When you choose Lauth, you'll gain the confidence of partnering with one of the leading development firms in the nation. Lauth offers clients both the flexibility and the financial strength necessary to complete large, complex projects. With our extensive experience Lauth has developed award-winning projects across the country. The Lauth team is uniquely experienced to deliver not only a successful project of this size and magnitude, but also a project that is dynamic in form, and flexible with the ideal mix of retail, entertainment, office and residential components as defined and envisioned by the State of Florida, Palm Beach County, and the Town of Lantana. Our team is comprised of professionals with nationwide experience developing millions of square feet of space, ranging from upscale retail lifestyle centers, to medical office buildings, to downtown high-rise developments. The cumulative efforts of the team have reacted to and strengthened the economic development of cities nationwide. Additional highlights:

- Founded in 1977 and headquartered in Indianapolis with six offices nationwide
- One of the largest developers in the U.S.; offering expertise in Office, Retail, Healthcare, Distribution, and Industrial facilities
- Successfully developed and constructed nearly \$3 billion of commercial real estate in 35 states
- \$1.2 billion in projects owned
- \$1.6 billion in projects under development
- 2,500 acres of land owned or controlled in select strategic U.S. markets
- 13th largest real estate developer in the U.S. according to *Commercial Property News*
- 8th largest healthcare developer in the U.S. according to *Modern Healthcare*
- Member of the U.S. Green Building Council (USGBC)

Financing

Equity for the projects will be provided through internal direct investment by Lauth. Debt financing for the development will be provided by major commercial lenders. Lauth brings a wealth of relationships with commercial lending institutions, and our successful track record and financial strength will provide substantial comfort with respect to the financing of this proposal. Lauth has capitalized over \$2 billion of real estate with banks during the past three years and we anticipate executing this project with a group of "core" lenders.

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June 9, 2008

Michelle Ramsey
OTTED Senior Attorney

Re: Economic Development Project for Lantana, Florida: A.G. Holley Hospital

Dear Michelle:

Lauth Property Group is pleased to submit our written Notice of Intent to Submit for the Economic Development Project for Lantana, Florida: A.G. Holley Hospital.

Lauth has the experience, vision, knowledge and financial strength to complete this project and understands the importance of working in a collaborative team process to bring this project to fruition. By choosing Lauth, you'll gain the confidence of partnering with one of the leading development firms in the nation. We offer our clients both the flexibility and financial strength necessary to complete new development projects.

As with all our projects, we are proactive in our underwriting process to assure that we have the most accurate information and the best understanding possible of the existing market conditions. Our underwriting includes, but has not been limited to, meeting with the local authorities, demographic studies, feasibility studies, and identifying firms that will contribute to the project. We will meet with local consultants, architects, engineers and general contractors to review the project. These groups will be instrumental in completing this project.

Our team commitment is to work closely with the State of Florida, the City of Lantana, the Hospital and all other parties involved to assure that the overall project scope includes local minority (MBE) and women owned business (WBE) participation, which will be an important component for the success of the project. We will also work closely with our general contractor to ensure strong local labor participation, local sub-contractor utilization, and adequate training and apprentice programs are provided.

We look forward to working with you to better understand your vision, goals and expectations for the project and will work to surpass them with innovative ideas, responsive service, and smart solutions.

I can be reached at 407.206.0860 or via email at thoward@lauth.net

Thank you for this opportunity.

Sincerely,

Travis Howard
Development Associate, Healthcare
Lauth Property Group



121 S. Orange Avenue, Suite 1450
Orlando, Florida 32801
407.206.0860
www.lauth.net



2. PROJECT OBJECTIVES

Summary of Approach

At Lauth, we will take the time to understand the State's vision, goals and expectations of the Town of Lantana for the project. We will surpass those expectations with innovative ideas, responsive service, and smart solutions designed to turn challenges into opportunities. Lauth and its team propose to relocate the existing AGH to a new site in Palm Beach County. Our plan is to demolish the existing AGH facilities, freeing the land on which the hospital currently sits for economic development.

Planning and Design Concept

MGE Architects will be responsible for the design of the new research hospital at FAU North. Once more specific parameters are defined for the A.G. Holley site, Lauth will seek the most qualified and appropriate providers for design, construction and consulting based on the needs of the project. We encourage this process to be one of a collaborative nature with the State of Florida, Palm Beach County and the Town of Lantana. Working together we will utilize our real estate and development expertise to assemble a team that ensures a predictable and successful project outcome.

Anticipated Staffing

We have selected a management team for this project from among our 200 Lauth associates with the experience and expertise to successfully manage the development, design, entitlement, construction, and commissioning of the overall project scope. The project team will be lead out of our Orlando office by Lauth's Vice President and Project Executive, Brent Barnes, with direct support from Project Director, Steve Hermann.

In addition to applying the above general considerations in the review of proposals, specific objectives have been identified against which proposals merit will be weighed:

- a) **The main undeveloped vegetative area on the site, referred to as "scrub" habitat, which occupies approximately 35 acres along the north side of the site, has been identified for preservation. A long-term lease of the land from the State to the County is anticipated. This portion of the property will not be available for redevelopment or inclusion in proposals outside of this intended use. Green-way type development that may be necessary, as well as ongoing maintenance costs will be assigned to the County as a term of the lease.**

The main "scrub" habitat will remain protected with Green-way type development to encourage park space and green area that will be a theme throughout the redevelopment site. Our design would implement nature and walking trails for the residents of Lantana.



- b) Execution of the proposed plan(s) must be cost neutral for the State, County and Town. Financial contributions made by the State are limited to the market or potential value of the land and buildings.

We anticipate the A.G. Holley redevelopment project cost will exceed \$250 million. The Lauth team is proposing a true public / private partnership by providing an opportunity for the Town of Lantana to be an equity partner in the redevelopment. Similar to other successful public / private ventures, the A.G. Holley redevelopment project requires public assistance due its catalytic nature. However, the proposal of the Lauth team affords the State / County / Town with an opportunity to recover all or a portion of its investment by receiving a share of the project revenues upon project stabilization.

Due to several economic factors associated with the site and the recognizable environmental conditions outlined in the Environmental Data Resources (EDR) "Regulatory Review" report a proper due diligence site clean up and project feasibility period will need to take place. Lauth anticipates that a twenty four (24) due diligence and feasibility period be implemented into the project to work on those issues.

WHEREAS, during the due diligence and feasibility period, Lauth will proceed at its own expense to do the following:

- Prepare conceptual plans and master plan the site for Town and State approval
- Obtain all necessary and or appropriate governmental permits, entitlements, and approvals for the project
- Market project to prospective retail, restaurant, office and flex office / light industrial tenants
- Obtain tenant commitments satisfactory for financing and funding of the project
- Approval for relocation of the existing hospital to a new site
- Obtain approval of TIF funds for the project

Due to several factors and other extenuating circumstances the project will require a Tax Increment Financing (TIF) to allow the project to move forward and be successful.

Annual Operating Costs

The current configuration of AG Holley allows for a maximum daily census of 50 patients per day and provides patient care on the fourth floor of AG Holley. The annual operating budget based on the current configuration is \$11 million.

The new facility will be built to accommodate a maximum of 30 patients per day which, over the last several months, has been the average daily census. This represents a 40 percent reduction from the current configuration. With this downsizing of the facility, we anticipate a substantial reduction in costs, which should result in substantial cost savings that are potentially applicable to costs associated with the new facility. Of particular note is the current building's substantial utility bill, which is expected to decrease by more than



40%, primarily from the significant decrease in the air conditioned space as well as the efficiency of a new building. The new facility will be designed and built to the U.S. Green Building Council's Leadership in Energy and Environmental Design standards (LEED).

- c) **Considering the critical care nature of the services provided by AGH Hospital, it is the states desire to continue the services provided by the hospital in its current or alternative location with Florida: and that its employees will remain on staff, or at the minimum, be given first consideration for hire, should the program be successfully transitioned.**

A.G. Holley Hospital Services- The services provided to the citizens of the State of Florida by AG Holley hospital will continue under the proposed plan. Ownership of the hospital will remain with the Florida DOH. The exact management structure of the hospital be it with a new governing body or a private management company to increase efficiency, is an area for negotiation. The proposed new hospital will be smaller than the current A.G. Holley Hospital (30 vs. 50 beds), which will result in a decrease in staffing needs, with associated cost savings. While this will result in some job losses, current non-physician staff will be given first consideration for hire. UF is willing to contract with DOH to provide physician coverage for the hospital. Physician staff will be incorporated into the UF College of Medicine Physician Practice Plan, and, while it is anticipated that current physician staff will be retained, all hires will be subject to standard UF hiring requirements.

The hospital will be moved to a proposed site in the existing Scripps campus/biotechnology hub in Palm Beach County. This is intended:

- a) to optimize the potential for economic development on the current Lantana property; and
- b) to allow placement of the facility within an existing biotechnology/research hub, to maximize the potential for research collaboration and to provide an optimal setting to attract new biotechnology partners.

While this change in location may create hardships for some existing hospital staff, it is hoped that retention of the facility within Palm Beach County will minimize the impact of the move.

- d) **Provision for the preservation of current recreational space (i.e., ball fields) on some portion of the property is desirable; relocation is also an option.**

The ball field will remain on the redevelopment site and will be enhanced by additional green areas and park settings.

- e) **Academic and private partners should be key players in the plans developed for this project. Academic collaboration may include, but not be limited to, research and development, tech transfer, clinical services and education. Private partner involvement may include, but not be**



limited to, financing, business incubation, and commercial and / or residential development.

Lauth, the University of Florida, and MGE Architects are teaming together to bring a world class research hospital to the FAU North research park and redevelop the A.G. Holley site, forever changing the Town of Lantana. We have met with local consultants, architects, engineers and general contractors to review the project. These groups will be instrumental in completing this project. However, at this stage of the proposal process, we have chosen not to select our final team at this time. Instead, we will seek the most qualified and appropriate providers once more specific project parameters are outlined.

1. Lauth Property Group is the private partner for this collaboration. The Lauth team is proposing a true public / private partnership by providing an opportunity for the State / County / Town to be an equity partner in the redevelopment. Similar to other successful public / private ventures, the A.G. Holley redevelopment project requires public participation consisting of the assistance of financing the replacement hospital, the provision of required parking facilities and the dedication of tax increment financing (TIF) proceeds or other funds to assist in project costs.

Lauth will develop a new academic research hospital at the FAU North campus to bring an important piece to the existing bioscience incubator. In exchange for this service Lauth will receive full disposition of the A.G. Holley site along with financial incentives.

2. The University of Florida is the academic partner in the proposed plan. UF activities will be coordinated through:

a) The UF Emerging Pathogens Institute (EPI). EPI, created in 2006 to provide state and national leadership in research on the emergence/re-emergence and control of infectious agents, will have responsibility for the research program at the new facility. It is anticipated that this will include basic laboratory research on TB; clinical and translational research, including work on development of new therapeutic agents and vaccines; and work on design, implementation, and evaluation of control programs for the disease. In preliminary plans, the proposed FTREC facility will include approximately 10,000 square feet of research space, with both biosafety level 2 and 3 (BSL2 and BSL3) laboratories. UF's participation in the project is based primarily on its interest in developing and maintaining these research activities. This is in keeping with the mission of the University, and is the critical element in attracting biotechnology partners and developing an expanding biotechnology presence (and jobs) at the Scripps campus.

b) The Southeastern National Tuberculosis Center (SNTC). SNTC, based at UF and supported by a \$7.5 million grant from the Centers for Disease Control, currently provides training in TB management and control for the Southeastern part of the United States. SNTC will continue these activities in the proposed facility.

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c) The Department of Medicine, UF College of Medicine. Physicians (and other doctoral-level faculty, as appropriate) working at FTREC will be incorporated into a newly created unit within the Department of Medicine. Physicians will be part of the Department of Medicine Faculty Practice Plan. UF will contract with the Florida Department of Health to provide physician services at the TB Hospital, and will develop outpatient clinics at the facility.

3. MGE Architects

MGE architects will provide the architectural and engineering services for the new facility. This Coral Gables based firm has designed numerous healthcare facilities in Florida including the new Brevard County Health Department and new South Jackson Memorial Hospital.

- f) **Preference will be given to plans that use a portion of the property to create a center for technology and innovation that leverages the areas designation as one of the emerging center of bioscience innovation in the world.**

Development of a technology park on the Lantana property was not felt to be economically viable. There has been extensive development of biotechnology parks in this part of the state, and preliminary inquiries suggested that a new biotechnology park, away from other research centers, would have a difficult time finding tenants, particularly in the current economic climate. There is currently robust biotechnology activity in the Jupiter area, with Scripps opening the largest science research building in Florida in Spring '09, and Max Planck occupying the former Scripps 3 building complex and currently is in design for a new 100,000 sq ft building. When coupled with the opening last year of Alexandria's 40,000 sq ft wet lab incubator 3 blocks from this complex, the development of 200,000 sq ft in association with Torrey Pines in Port St. Lucie, the research park at Florida Atlantic University and the million sq ft plus development underway at the University of Miami, the result is an increasingly attractive picture of the emergence of strong biotechnology clusters in South Florida. The Scripps site has plans for future expansion of over 1.4 million sq ft of new bio science research space at its site. There does not appear to be strong motivation for creation of a biotechnology hub at the Lantana site.

At the same time, the hospital and associated UF research laboratories (FTREC) would clearly benefit from the collaborations possible within one of the existing biotechnology clusters. Location of the facility within an existing cluster would serve to further enhance the attractiveness of the cluster for new companies interested in co-locating, and would help to complete the biotechnology picture for this region of the state. Placement of the hospital and research facility adjacent to Scripps and Max Planck at the Jupiter site in Palm Beach County is particularly attractive, given the number of possible collaborations between these institutes and UF. Our TB research group has been in communication for over a year with Max Planck's Dr. Stefan Kaufmann, the founding Director of the Max Planck Institute for Infection Biology. One of the world's preeminent TB investigators, his research is focused on the immunology of tuberculosis, with an emphasis on the development of TB vaccines. As per the attached letter, he is highly enthusiastic about the prospect of having the hospital and UF TB research facility adjacent to Max Planck Florida. This growing

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partnership will further enhance the collaborative synergy between Scripps, Max Planck, and the University of Florida, and provide a vital boost to the efforts at the Scripps campus to move forward the plans of Palm Beach County and Florida to create a truly world class biotechnology center.

In preliminary contacts, two manufacturers of new anti-TB drugs have indicated an interest in establishing collaborations with the proposed hospital/research facility. Testing facilities for new anti-TB drugs in the United States are extremely limited, and the availability of FTREC, incorporating a strong clinical research capability linked with a dedicated TB hospital, would provide a unique opportunity for work of this type. Similarly, the combination of hospital/research/training facilities is highly attractive to international contract research groups such as Family Health International (FHI); a letter of support from FHI is attached.



3. PROJECT REQUIREMENTS

Health Care Provider

This proposal will ensure that the citizens of Florida will remain protected from the threat of communicable infectious disease by maintaining the critical public health services of A.G. Holley Hospital. The TB hospital within the proposed facility will remain a Florida DOH facility, under DOH ownership, and patients will have the same criteria for admission, treatment, and discharge as previously determined by the TB Program of the Florida Department of Health. The care of patients with TB is a public health responsibility of the State of Florida as dictated by Florida Statute 392 and needs to remain within the purview of the Department of Health. UF did not feel that it was appropriate, or wise, to "re-create" the existing expertise in TB clinical management and TB control present at A.G. Holley and Florida DOH.

UF has carefully reviewed the finances and management of the hospital, and does feel that improvements in these areas are possible. The exact management structure of the hospital, be it with a new governing body or a private management company to increase efficiency, is an area for negotiation. UF is willing to contract for physician services for the hospital, with the understanding that the current physician staff would be given first consideration for hire for these positions.

1. Demonstrated Expertise in TB/2. Core public health activities - The expertise and capabilities to care for the most difficult and dangerous cases of TB that cannot be treated in the community are skills that are difficult to find in the medical community. We anticipate that the outstanding expertise in TB management and control currently present at A.G. Holley, enhanced, as appropriate, by expertise of U.F. faculty, will provide ongoing high quality care for Florida TB patients.

3. Protection of the Public- By keeping the public health focus of the facility in this proposal the state will ensure that patients who cannot be treated in the community will not be released into the community at large. The proposal does envision a reduction in hospital from 50 to 30 beds. The hospital has had an average occupancy of 30 patients for the past year, with occasional increases above this number. Downsizing to a 30 bed hospital will require that attention be given to admission policies and lengths of stay, and may require placement of less complex or less severely ill patients in other hospitals. Should this be necessary, efforts will be made to place these patients at Shands/UF Hospital in Gainesville, to take advantage of the clinical expertise available at the UF medical center, and the linkage of UF with FTREC.

4. Consultation with DOH Physicians- The current mechanism for community care coordination will be maintained in this proposal, with DOH funding and control. In order to protect the public care will still be provided regardless of reimbursement for care. As noted, UF will be willing to contract with DOH for physician services for A.G. Holley Hospital; the exact conditions, and cost, of this contract, and its relationship with the current DOH community care consultation system, will require further negotiation.

5. Provision of Care/6. Treatment until cure/7. Admission and discharge decisions - Decisions/policies in these areas will remain the responsibility of DOH. As noted above, there is a possibility that on rare occasions the planned bed capacity of the new A.G. Holley Hospital will be exceeded; under these circumstances, patients may need to be placed in other hospitals.

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8. Training and Medical Consultation- The current CDC grant funding the Southeastern National Tuberculosis Center at the University of Florida will continue to function at A.G. Holley, and through this mechanism, and the current DOH medical consultation system, medical consultation and support will be provided to physicians and hospitals throughout Florida 24 hours a day and 365 days a year.

9. Contract Management- All contracts will be negotiated as per standard procedures followed in preparation of contracts between DOH and UF.

10. Licensure- All licensure requirements will be maintained

11. Airborne Infection Isolation- The new facility will increase the total number of isolation beds by making all thirty of the hospitals beds isolation beds. This is important not only for the care of TB patients, but also is a critical part of biodefense and preparedness planning. This facility will potentially be available in case of an outbreak of an airborne spread pathogen such as SARS, avian, or pandemic flu and/or massive displacement/migration of at-risk populations.

12. Building Requirements- The building design will exceed all hurricane requirements and will be able to function during and after such an event. Furthermore, the facility will be designed at the highest USGBC LEED standards for sustainability to ensure peak energy efficiency.

13. Safety- All necessary safeguards will be taken to ensure the safety of patients, staff, and the community. The expertise to do achieve this and manage this already exists and will be enhanced by the smaller more efficient design of the facility. The increased number of isolation beds will help ensure the safety of the staff and visitors.

14. Specialized Security- The specialized security necessary to protect these patients and to protect the community from elopement will be maintained and easier to enforce because of the new design and size of the facility.



Land Redeveloper

a) Feasibility Study

Land Use Options, Zoning and Site Suitability

The existing property represents approximately 10% of the total land area of Lantana which is in declining condition and is neglecting the true tax benefits associated with this site. It is the goal of our team to implement a clear short and long term development plan that benefits and complements the surrounding neighborhoods while revitalizing the town and adding a much needed business tax base to Lantana. The land is currently zoned as Public and is surrounded by a mix of residential, commercial, and industrial which will set the property up to be broken out into several different quadrants. The northeast area will be suitable for flex office / warehouse space blending with the current zoning. A residential component on the east and west sides of the property will make for an attractive transition from the property to the North Broadway and Southwinds neighborhoods with park, preserve and athletic fields integrated into the plan. A town center type design with mid-size class "A" office buildings integrated in the surrounding area would allow for a healthy mix of businesses to function together. Capital market conditions, industry demands, the State's / County / Town's input will ultimately decide the best suitability for this project.

DRI / Permitting and / or Regulatory Constraints

The maximum capacity of the property will be limited by the Florida statute for Developments of Regional Impact and Traffic Performance Ordinance of Palm Beach County. The plans and density for the property may be changed with request to local and state governments which can take up to and exceed 12 months. Below are the pertinent State statutes regarding Developments of Regional Impacts:

28-24.031 Retail and Service Development.

Subject to Section 380.06(2)(d), Florida Statutes, any proposed retail, service or wholesale business establishment or group of establishments which deals primarily with the general public on-site, operated under one common property ownership, development plan, or management that:

- (1) Encompasses more than 400,000 square feet of gross area;
- (2) Occupies more than 40 acres of land; or
- (3) Provides parking spaces for more than 2,500 cars.

Specific Authority 380.0651(3)(f) FS. Law Implemented 380.06 FS. History--New 7-25-89.

28-24.032 Multi-Use Development.

Subject to Section 380.06(2)(d), Florida Statutes, the following development shall be a development of regional impact:

- (1) Any proposed development with two or more land uses where the sum of the percentages of the appropriate thresholds identified in Rules 28-24.015 through 28-



24.017, 28-24.019 through 28-24.021, 28-24.023 through 28-24.024, 28-24.026 through 28-24.027 and 28-24.029 through 28-24.031, F.A.C., for each land use in the development is equal to or greater than 145 percent; or

(2) Any proposed development with three or more land uses, one of which is residential and contains 100 dwelling units or 15 percent of the applicable residential threshold, whichever is greater, where the sum of the percentages of the appropriate thresholds identified in Rules 28-24.015 through 28-24.017, 28-24.019 through 28-24.021, 28-24.023 through 28-24.024, 28-24.026 through 28-24.027 and 28-24.029 through 28-24.031, F.A.C., for each land use in the development is equal to or greater than 160 percent. The thresholds listed in subsections (1) and (2) of this paragraph are in addition to, and do not preclude, a development from being required to undergo development of regional impact review under any other threshold.

Specific Authority 380.06(2)(c), 380.0651(3) FS (Supp. 1988). Law Implemented 380.06 FS. History—New 7-25-89.

28-24.010 Residential Developments.

(1) The following developments shall be presumed to be developments of regional impact and subject to the requirements of Chapter 380, Florida Statutes: Any proposed residential development that is planned to create or accommodate more than the following number of dwelling units:

(a) In counties with a population of less than 25,000 – 250 dwelling units.

(b) In counties with a population between 25,000 and 50,000 – 500 dwelling units.

(c) In counties with a population between 50,001 and 100,000 – 750 dwelling units.

(d) In counties with a population between 100,001 and 250,000 – 1,000 dwelling units.

(e) In counties with a population between 250,001 and 500,000 – 2,000 dwelling units.

(f) In counties with a population in excess of 500,000 – 3,000 dwelling units.

Provided, however, that any residential development located within two (2) miles of a county line shall be treated as if it were located in the less populous county.

(2) As used in this section, the term “residential development” shall include, but not be limited to:

(a) The subdivision of any land attributable to common ownership into lots, parcels, units or interests, or

(b) Land or dwelling units which are part of a common plan of rental, advertising, or sale, or

(c) The construction of residential structures, or

(d) The establishment of mobile home parks.

(3) As used in this section, the term “dwelling unit” shall mean a single room or unified combination of rooms, regardless of form of ownership, that is designed for residential use by a single family. This definition shall include, but not be limited to, condominium units, individual apartments and individual houses.

(4) For the purpose of this section, the population of the county shall be the most recent estimate for that county, at the time of the application for a development permit. The most recent estimate shall be that determined by the Executive Office of the Governor pursuant to Section 23.019, Florida Statutes.

Specific Authority 380.06(2) FS. Law Implemented 380.06, 380.10 FS. History—New 7-1-73, Formerly 22F-2.10, 27F-2.10, 27F-2.010.



28-24.029 Industrial Plants, Industrial Parks and Distribution, Warehousing or Wholesaling Facilities.

Subject to Section 380.06(2)(d), Florida Statutes, any proposed industrial, manufacturing, or processing plant, or distribution, warehousing, or wholesaling facility, excluding wholesaling developments which deal primarily with the general public on-site, under common ownership, or any proposed industrial, manufacturing, or processing activity or distribution, warehousing, or wholesaling activity, excluding wholesaling activities which deal primarily with the general public on-site, which:

- (1) Provides parking for more than 2,500 motor vehicles; or
- (2) Occupies a site greater than 320 acres.

Specific Authority 380.0651(3)(c) FS. Law Implemented 380.06 FS. History—New 7-25-89.

28-24.026 Hotel or Motel Development.

Subject to Section 380.06(2)(d), Florida Statutes, the following developments shall be a development of regional impact:

- (1) Any proposed hotel or motel development that is planned to create or accommodate 350 or more units; or
- (2) Any proposed hotel or motel development that is planned to create or accommodate 750 or more units, in counties with a population greater than 500,000, and only in geographic areas specifically designated as highly suitable for increased threshold intensity in the approved local comprehensive plan and the comprehensive regional policy plan.

Specific Authority 380.0651(3)(g) FS. Law Implemented 380.06 FS. History—New 12-31-85, Formerly 27F-2.026.

Options related to the use of the existing AG Holley Hospital

Lauth and its team propose to demolish the existing A.G. Holley facilities, freeing the land on which the hospital currently sits for new economic development. As outlined in this document, we feel that this property, with appropriate development, could become a “town center” for Lantana, and a major driver for the local and regional economy.

Prior to demolition of the existing a hospital Lauth would construction of a new, 30-bed A.G. Holley TB hospital on a new site. The new setting would provide optimal patient care in a cost-effective setting, including use of the best available energy efficient (USGBC LEED sustainability standards) design. Integration of the hospital with existing strong programs at UF, including the Southeastern National Tuberculosis Center and the UF Emerging Pathogens Institute, to form a nationally/internationally recognized Center for tuberculosis research and training (Florida Tuberculosis Research and Education Center [FTREC]). Placement of this combined facility adjacent to Scripps and Max Planck within the existing biotechnology hub in Palm Beach County, where it can further leverage new biotechnology investment in the state of Florida.

UF will assume responsibility for the research and training components of FTREC. Ownership of the new A.G. Holley TB hospital within FTREC will remain with the Florida Department of Health (DOH), and patients will have the same criteria for admission, treatment, and discharge as previously determined by the DOH TB



Program. The care of patients with TB is a public health responsibility of the State of Florida as dictated by Florida Statute 392 and needs to remain within the purview of the DOH. The exact management structure of the hospital, be it with a new governing body or a private management company to increase efficiency, is an area for negotiation. UF is willing to contract with DOH to provide physician coverage for the hospital. UF envisions operation of an outpatient clinic facility as part of this complex, and recruitment of patients for participation in clinical research activities.

Economic Impact

Based upon preliminary economic assumptions, within 10 years this economic development project could bring approximately \$100 million in annual new salaries and income to Lantana and Palm Beach County. According the Jacobs Report is anticipated that this project could also bring a 10 year Economic Growth / Impact in excess of \$150 million. Additionally the education and research reputation of the University of Florida and the success of the FTREC will drive the FAU North incubator for many years to come. Synergies between Scripps, Max Plank, and FTREC will continue to attract businesses from around the world to Palm Beach County to truly create a world renowned campus at FAU North.

Proposed Development Plan

The paramount objective of this project is to attract high quality businesses and jobs to Lantana and to redevelop the site as an integral part of the surrounding community. A new Town center can attract corporate headquarters, business offices, retailers, restaurants, County / Town offices, expanding on the number and variety of destination venues in South Florida, while increasing pedestrian activity by bolstering and diversifying the retail, office, residential and entertainment options.

It is anticipated that Lauth will work within the current DRI constraints and to work with the State, County and Town on necessary updates to the DRI, zoning and regulatory constraints if necessary. Our team of professionals will add a live, work and enjoy type of lifestyle to Lantana. The upscale, timeless architecture will be the catalyst for momentum to further redevelopment area and provide a visually appealing gateway to the Town. Our team will design and implement a program that will exceed the expectations set forth for this project. Our experience with similar projects gives us the knowledge and understanding of the importance of working in a collaborative process. The community's vision along with the State of Florida and Palm Beach County's support and contribution will redefine Lantana forever.

Lauth's vision is to create a project that reflects the needs of Lantana. The AG Holley redevelopment will be an amalgam of uses aimed at serving the Town of Lantana. This concept results in a project that positions Lantana as the nucleus of a thriving Palm Beach County.

It is assumed the project may include the following components concurrently or in phases:

- Local, national and themed restaurants
- Retail tenants, including mid-sized stores and smaller, specialty stores & services
- A mix of street, surface and structured parking



- Office / Corporate Headquarters
- Flex Office / Warehouse / Light Industrial
- Medical Offices
- Public Healthcare Clinic
- Residential Units
- Workforce Housing
- A hotel to serve the needs of visitors of Lantana

Development Program

While the final components of this project may be adjusted through the entitlement, underwriting and marketing phase, Lauth is currently projecting the following uses:

The defining element of redevelopment will be the ground level streetscapes that will contain a mixture of restaurant users, small scale entertainment venues and mid-size to smaller format retail stores. This collection of tenants will create a pedestrian intensive atmosphere that will unify the mixed use community. The streetscape will include wide sidewalks with large patio areas for dining and activities. Pedestrian elements such as benches, fountains, and sculptures will be constructed with similar materials and images to reinforce the feeling of arrival and place. The theme will culminate with a focal point located near the center of the district.

The Redevelopment District has adequate area for professional office and medical office buildings on the interior of the site adjacent to the Palm Beach Health Clinic. The location with its close proximity to Interstate 95 will attract corporate offices and jobs. We envision flex use / light industrial warehouse space along N. 8th Street to link with the existing light warehouse space in the area.

The extent and timing of each development component will be determined as the scope becomes more defined and continued up to date market underwriting has been undertaken. The A.G. Holley site has ample space for apartment and attainable housing. The residential units will be an integral part of maintaining the mixed use environment. The three to four story structures form a buffer between the existing residential areas of Lantana and the higher density office, retail, and hotel areas along Lantana Road. This location provides visibility and identity to motorists entering the area and provides a buffer to the interior pedestrian streetscape

The success of a multi-story mixed-use development project is hinged on the requirement for ample and convenient parking. To allow for a pleasant shopping experience, we are anticipating a mix of street, surface and structured parking.

Lauth has built our reputation on our ability to deliver quality projects quickly and within an economical budget. This is one of the unique strengths of our team. The vertical integration of the Lauth team provides benefits to its partners through a lower total project cost structure and quicker building completion and occupancy.

Phasing

The long range vision of this project will require a sophisticated phasing program. The existing hospital and clinic will need to remain operational until new facilities are constructed. The first phase of the plan will require the development and construction of the replacement hospital on the FAU North site. Later in this phase

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the existing A.G. Holley Hospital will be demolished. Additional infrastructure work will also be completed during this phase.

The second phase will call for a new main entry road into the redevelopment area along with phased demolition of the existing ball fields and relocation on the site. As the market dictates; retail, office, flex / light industrial warehouse, and residential construction will begin along with the necessary infrastructure improvements.

Initial estimates of second phase development:

Retail

140,000 sf of Anchor Store

50,000 sf of Street Retail Stores and Café Restaurants

The retail environment created will enliven Lantana Road, creating street retail that will spill out on the sidewalk and provide the type of retail experience that has been missing from Lantana. The strength of these retailers is greatly enhanced by the presence of a national anchor store.

Office

105,000 sf of Class A Office Space

Retail alone will not revitalize this Town; this area requires a balanced development to bring economic strength to Lantana. The introduction of 105,000 square feet will be the first new class A office space in Lantana in a number of years and will allow new businesses to participate in the redevelopment. The office space is designed to give large tenants open floor plates and to allow smaller tenants a floor plate that will accommodate their space planning requests. In addition, the floor plates will be oriented to allow ample day light within the office spaces, thus following the sustainable design practices that have been incorporated into the entire project. Future development will include corporate offices building looking to relocate to Palm Beach County.

Flex / Light Industrial

180,000 sf of Class A Industrial space

The development of approximately 180,000 sf of Class A distribution space will further revitalize the Town of Lantana by providing greater stability and balance to the comprehensive redevelopment. The proposed facility will target larger users (<50,000 sf and greater); however, provide flexibility to appeal also to smaller tenants, if necessary (as small as 15,000 sf). The project will embody all of the features critical to a successful distribution center (location, access, exposure, advanced building features - clear height, sufficient truck court depth, ample dock doors and parking, etc.).

Residential

200 Apartment Units with possible expansion in the future

To truly make Lantana a 24/7 community, we have included 200 apartment units in the development. Each unit will have one or two parking spaces. These homes will support the retail, office, flex / light industrial needs.

The homes will have access to an exciting array of shared amenities, including resident fitness areas and equipment, business-service areas including conference and meeting rooms and concierge services.

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Hotel

Size to be determined

A hotel on site will be considered as a need arises due to the development of office and flex / light industrial space.

State, County and Town Functions

The Lauth team would provide a comprehensive consolidation study of the existing governmental office buildings efficiency and viability along with a life cycle cost study to determine if new buildings would benefit and be more cost effective with the towns long term strategic growth plan

Lantana Health Center

The existing Public Health Clinic could be relocated on-site into the new Lantana Health Center. The efficiencies of a new space could greater serve the health needs the residents of County and Town will have in the future. This center could also include a wellness center, educational classrooms, and additional medical offices to further improve the quality of life of nearby residents.

Parking

The success of most recent projects in South Florida have hinged on the requirement for ample and convenient parking. These spaces will supply parking where it is needed to meet the demands of those living on and traveling to the site. Alternative transportation methods also will be supported through the inclusion of bike facilities for workers, residents and shoppers, and transit stops to the extent feasible.

Sustainable Development, Green Space and LEED Certification

Lauth is a leader in Green Development, Green Buildings and implementing sustainability into our projects. Lauth is committed to creating greater awareness and value to our projects by continually working toward increased social and environmentally responsible LEED / Green projects. With LEED Accredited Professionals in-house, Lauth integrates green building aspects into the design, development and construction of many of our projects.

Partnership Approach

Lauth Property Group envisions its role with the State of Florida, Palm Beach County and the Town of Lantana not simply as developer, owner and manager, but as a strong financial partner with a creative and flexible approach to reach the goals of the project. We know that developing the right solutions can be demanding and complex and requires far more than the standard approach. We also know one of the key elements will be creating a solid financing plan with an exceptionally strong financial partner that has extensive experience structuring projects of this type.

Our reputation and success have been built on the mastery of solving difficult real estate problems for our clients by building both relationships and buildings with them. We do that by understanding our stakeholders' goals, needs and constraints and then implementing solutions that conserve resources and create value as well as create developments of exceptional design quality. We couple these arts with the science and discipline of finance, organization and management of construction services, to create imaginative and successful projects.

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b) Financing Options

As a 30 year old privately held company Lauth is flexible in the financing options and looks for the best alternative that works best with all parties involved. Equity for A.G. Holley redevelopment project will be provided through internal direct investment by Lauth. Debt financing for the development will be provided by major commercial lenders. Lauth brings a wealth of relationships with commercial debt providers, and our successful track record and financial strength will provide substantial comfort with respect to the financing of this proposal. Lauth has the strength and resources to immediately access \$250 million dollars in equity capital. Lauth is one of the best capitalized private development companies in the country. Lauth has capitalized over \$2 billion of real estate with banks during the past three years and we anticipate executing this project with a group of "core" lenders. The project may include Brownfield, tax increment financing and other Federal, State, County and Town development incentives.

Option 1) Lauth will finance and develop the University of Florida Academic Research Hospital on the FAU North land. Lauth will in turn receive full disposition of approximately 110 acre A.G. Holley redevelopment site.

Option 2) Lauth will purchase approximately 110 acre A.G. Holley redevelopment site. The State of Florida and University of Florida can use the proceeds to construct the new University of Florida Academic Research Hospital on the FAU North with Lauth as the developer.

c) Sustainability

All of the construction for the A.G. Holley redevelopment will follow the principles of Sustainable Design using LEED guidelines. The design will meet LEED standards and will have Green roofs that will be used for both active green space and runoff reduction. Day lighting in the office, flex office, apartment buildings and the large retail spaces will also be incorporated in to the design. Active sustainable principles such as energy efficient mechanical and lighting systems, water conserving plumbing units will also be part of the design.

d) Qualifications

The cumulative efforts of the Lauth team have reacted to and strengthened the economic development of cities nationwide. Additional highlights:

- * Founded in 1977 and headquartered in Indianapolis with six offices nationwide
- * One of the largest developers in the U.S.; offering expertise in Office, Retail, Healthcare, Distribution, and Industrial facilities
- * Successfully developed and constructed nearly \$3 billion of commercial real estate in 35 states
- * \$1.2 billion in projects owned
- * \$1.6 billion in projects under development
- * 2,500 acres of land owned or controlled in select strategic U.S. markets
- * 13th largest real estate developer in the U.S. according to *Commercial Property News*
- * 8th largest healthcare developer in the U.S. according to *Modern Healthcare*
- * Member of the U.S. Green Building Council (ISGBC)

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Lauth Team Organization

Lauth Property Group is a privately held 30 year old commercial real estate development firm with six offices nationally. We have successfully developed over \$3 billion dollars worth of commercial real estate in 35 states totaling over 35 million square feet. Lauth is currently ranked the 13th largest real estate developer and 8th largest health care developer in the United States which allows us the capital strength to structure projects so that they work in the best interest of our clients. Our development projects are structured to assure that our clients receive the greatest benefit while mitigating their exposure and risk on the project. We believe that the risk that is inherent to all development projects is our responsibility as the developer / owner and not that of our clients.

Executive Leadership Team

Robert L Lauth
Chairman

Gregory C. Gurnik
CEO

Michael S. Curless
President

Lawrence B. Palmer
Treasurer & CAO

Austin W. Lehr
SVP, Western Regional Partner

J. Flint McNaughton
SVP, Southeastern Regional Partner

Tag Birge
SVP, Healthcare

Michael J. Jones
SVP, Office & Industrial

Francis 'Jensie' Teague
SVP, Retail

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**Lauth / University of Florida / MGE
Key Project Members**

Lauth

J. Flint McNaughton
Senior Vice President
Southeastern Region

T. Brent Barnes
Vice President, Development Southeastern Region

Kevin Rogers
Vice President, Retail

Steve Herrmann
Director, Development Operations

Travis Howard
Development Associate

University of Florida

J. Glenn Morris, Jr., MD, MPH&TM
Professor and Director
Emerging Pathogens Institute
University of Florida

Michael Lauzardo, MD, MSc
Principal Investigator, Adjunct Assistant Professor, Southeastern National Tuberculosis
Center Division of Pulmonary, Critical Care, and Sleep Medicine
University of Florida

MGE Architects

Roberto Smith
Principle

Crystan Cumberbatch
Marketing Director



A.G. Holley Redevelopment Project Lauth's Team

Individual	Roles & Responsibilities
T. Brent Barnes Vice President, Project Executive	Overall project lead, primary contact for financing, ownership structure, and lease negotiations
Kevin Rogers Vice President, Retail	Project lead for Retail, financing, ownership structure, and lease negotiations
Flint McNaughton Partner, Southeast Region	Project oversight and approval, QA/QC
Tag Birge SVP, Healthcare Partner	Project oversight and approval, QA/QC, lease negotiations, finance and ownership structure – Healthcare
Mike Jones SVP, Office & Industrial	Project oversight and approval, QA/QC, lease negotiations, finance and ownership structure – Office
Francis "Jensie" Teague SVP, Retail	Project oversight and approval, QA/QC, lease negotiations, finance and ownership structure – Retail
Marketing & Preleasing	
Mark Ishimatsu Senior Market Analyst	Market Analysis - In-depth strategic project underwriting of the market
Travis Howard Development Associate	Market analysis and project underwriting feasibility
Development	
Steven Herrmann Director, Development Operations	Project oversight of all third-party contractors, design teams, consultants, and contractors
Capital	
Michael Garvey SVP, Capital	Project lead for all project capital
Matt Corley Director, Capital	Project financing and capital underwriting
Legal	
Vernon Back General Counsel	Lead counsel for entire project
Angela Robinson Assistant General Counsel	Legal counsel and project legal analysis



PROJECT TEAM MEMBER

J. FLINT McNAUGHTON
Regional Partner, Senior Vice President

TEAM RESPONSIBILITY

Flint has overall development, construction and operational responsibility across all four product types for the Southeast Region including North Carolina, South Carolina, Virginia, Georgia, Mississippi, Alabama, Florida and serves as a leader of Lauth's National Facilities Group. Flint is also a member of Lauth's Executive Forum and Capital Committee.

EXPERIENCE

Prior to joining Lauth, Flint was Senior Vice President of Development and Director of Corporate Services for Lincoln Harris in Charlotte, North Carolina. Flint was also a commercial real estate broker in Miami, Florida for over eight years, primarily with Cushman & Wakefield.

INDUSTRY ACHIEVEMENTS

Flint has executed over ten million square feet of commercial real estate development and brokerage transactions in 38 states around the country, including Fortune 500 office headquarters, suburban office campuses, distribution warehouses, medical offices and retail projects. His latest projects include NASCAR Plaza, a \$100 million, 19-story, Class "A" Office Tower in downtown Charlotte. The 400,000 SF project boasts NASCAR as it's anchor tenant and will break ground in March 2007. The iconic project, designed by Pei Cobb Freed & Partners Architects will be LEED Certified.

AWARDS

Licensed Real Estate Broker in Georgia, North Carolina and South Carolina
1998 Kennedy Wilson Deal Maker Award
1992, 1993, 1994 Miami, Florida Society of Commercial Brokers Award, Top Three Office Production
1996, 1997, 1998 Charlotte Region Commercial Board of Realtors, Top Office Production Award
1998 Charlotte Region Commercial Board of Realtors, Top Overall Highest Production
1999 CRESA Member of the Year Award
2001 Charlotte Region Commercial Board of Realtors, Top Office Production
2006 Recognized by the Business Journal as one of Charlotte's "Top Behind the Scenes Deal Makers for 2006"
2006 Development "Deal of the Year" award for NASCAR Plaza

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PROJECT TEAM MEMBER

J. FLINT McNAUGHTON
Regional Partner, Senior Vice President

COMMUNITY INVOLVEMENT

Boy Scouts of America – Eagle Scout
Harris YMCA - Charlotte, Past Board of Managers
ICSC, Member
ULI, Member
CRCBR, Member

EDUCATION

University of North Carolina at Chapel Hill, Bachelor of Arts in Economics

Representative List of Projects

OFFICE

NASCAR Plaza
19-story, Class "A" Office Building
\$100,000,000, 400,000 SF
Charlotte, NC

ALLTEL Corporation
4-story Class "A" Corporate Office Campus
\$75,000,000, 543,000 SF
Alpharetta, GA

ALLTEL Corporation
3-story Call Center
\$11,000,000
Charlotte, NC

HSBC Decision One Mortgage
5-story Corporate Headquarters
\$34,500,000, 182,000 SF
Fort Mill, SC

Morrocroft Center II
4-story Class "A" Office Building
\$20,000,000, 100,000 SF
Charlotte, NC

Morrocroft Center III
4-story Class "A" Office Building
\$20,000,000, 100,000 SF
Charlotte, North Carolina

RETAIL

Patterson Place
400,000 SF, Retail Power Center
Anchored by Kohls, Kroger
Durham, NC

Moores Chapel Village
52,000 SF, \$9 million FoodLion Anchored
Center
Charlotte, NC

Shoppes at Rivercrest
260,000 SF WalMart Anchored Center
Granite Falls, NC

Catawba Springs Promenade
250,000 SF Lowes Home Improvement
Anchored Center
Denver, NC

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PROJECT TEAM MEMBER

J. FLINT McNAUGHTON
Regional Partner, Senior Vice President

INDUSTRIAL

Fed Ex Ground
104,000 SF Build to Suit Sort Facility
Tempe, AZ

Fed Ex Ground
240,000 SF Build to Suit Sort Facility
Pompano Beach, FL

Fed Ex Ground
120,000 SF Build to Suit Sort Facility
Henderson, NV
Kirklands
840,000 SF, Build to Suit Distribution Facility
Jackson, TN

Transpoint Industrial Park
423,000 SF, Speculative Warehouse
Fort Mill, SC

Prairie Packaging
240,000 SF Build to Suit
Light Manufacturing Facility
Huntersville, NC

MEDICAL

Bon Secours Cancer Resource Center
3-story Class "A" Medical Office Building
\$15,000,000, 50,000 SF
Richmond, VA

Bon Secours
4-story Class "A" Medical Office Building
\$18,000,000
Virginia Beach, VA

Select Medical
72,000 SF, \$24 million, Build to Suit
Augusta, GA

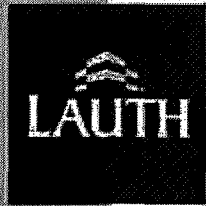
Select Medical
51,000 SF, \$16 million, Build to Suit
Gainesville, FL

Select Medical
45,000 SF, \$19 million, Build to Suit
Orlando, FL

Select Medical
39,000 SF, \$22 million, Build to Suit
Tallahassee, FL

Wake Med I & II Medical Office
120,000 SF, 24 million
Raleigh, NC

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PROJECT TEAM MEMBER

T. BRENT BARNES

Vice President, Development

TEAM RESPONSIBILITY

As Vice President, Brent is responsible for managing development projects in the Southeast region. His particular expertise is in the areas of strategic planning, feasibility analysis, development planning, partnership formation, and ownership structuring of healthcare projects.

EXPERIENCE

Brent brings more than 25 years of real estate experience, and is actively involved in the development of new projects from conceptual design through construction completion. Brent has spent more than 22 years developing over \$375 million in health care and commercial development projects in Florida. Prior to joining Lauth Property Group, Brent was a Senior Vice President of Development for Medical Real Estate with Nexcore Group; Senior Vice President with Dasco Companies; and was Director of the Florida Development Operations for Highwoods Properties, a national office REIT with over 46 million square feet of office space.

INDUSTRY ACHIEVEMENTS

Brent has been directly involved with the development of over \$450 million of new projects and was responsible for the operations and asset management of over 4 million square feet of Class "A" office space. Brent was also instrumental in the acquisition and eventual sale of the seven-building, 320,000 SF Orlando Regional Healthcare portfolio in Orlando, Florida. As project executive Brent managed and oversaw the design and construction administration team on the \$180 million Orange County Courthouse project in Orlando, Florida.

Community Involvement

- American Heart Association
- Coalition for the Homeless

EDUCATION

Indiana University of Pennsylvania, Business Administration

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PROJECT TEAM MEMBER

T. BRENT BARNES

Vice President

REPRESENTATIVE PROJECTS

Imperial point Medical Center
68,500 SF Medical Office Building
Fort Lauderdale, Florida

Morton Plant North Bay Hospital
60,000 SF Medical Office Building
Building
New Port Richey, Florida

Surgeons Drive Medical Pavilion
60,000 SF Medical Office Building
Tallahassee, Florida

Holy Family
68,000 SF Medical Office Building
Spokane, Washington

North Bay Hospital
75,000 SF Medical Office Building
Green Valley, California

ABMC
72,000 SF Medical Office Building
Chicago, Illinois

SAMC
62,000 SF Medical Office Building
Chicago, Illinois

Santa Rosa
60,000 SF Medical Office Building
Pensacola, Florida

Townson
65,000 SF Medical Office Building
Townson, Maryland

Eagle Creek
75,000 SF Medical Office Building
Lexington, Kentucky

Capital Plaza II
290,000 SF Class A Office Building
Orlando, Florida

Metro Center I
90,000 SF Class A Office Building
Orlando, Florida

Incharge Institute
40,000 SF BTS Class A Office

Orlando, Florida

Orange County Court House
1.2 Million SF
Orlando, Florida

Sarasota County Court House
120,000 SF
Sarasota, Florida



PROJECT TEAM MEMBER

KEVIN ROGERS

Vice President, Retail Development

TEAM RESPONSIBILITY

Kevin heads our retail development group for the Orlando office covering retail development ventures throughout the southeast.

EXPERIENCE

Prior to joining Lauth, Kevin spent almost 9 years with various retailers as a Real Estate Manager.

-The Home Depot, 3 years as Real Estate Manager, responsible for new store development in Florida, Georgia, Tennessee and Alabama

-Wal-Mart Stores, Inc., 2 years as Real Estate Manager, responsible for new store development in Florida

-The Kroger Co., 3 years & 8 months, responsible for new store development, property management, surplus property disposition in Tennessee, Mississippi and Arkansas

AHCHIEVEMENTS

In addition to opening approximately 20 new or relocated Wal-Mart Supercenters in Florida and 25 new Home Depots throughout the Southeast, Kevin also opened the first three Wal-Mart Neighborhood Market grocery stores in Florida as well as 4 new Kroger grocery stores in Mississippi and Tennessee.

EDUCATION

University of Cincinnati, Bachelor of Business Administration in Finance and Real Estate

ACTIVE PROJECTS

Harrison Terrace-Atlanta (Forsyth County), GA

500,000 SF retail & 200 unit residential mixed-use development

Oxford Commons-Oxford, MS

180,000 SF regional shopping center

Fort Pierce Crossing-Fort Pierce, FL

350,000 SF regional shopping center

Lake Town Crossing-Lake Town, FL

350,000 SF regional shopping center

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PROJECT TEAM MEMBER

STEVE HERRMANN
Director, Development Operations

TEAM RESPONSIBILITY

Steve is responsible for developing projects for Lauth's Health Care Division for Florida, Alabama & Mississippi. Steve oversees the development process encompassing site evaluation, property acquisition, due diligence, site and building planning board approvals, building architecture and engineering, budgeting, scheduling, permitting, construction management, project management, and acts as Lauth property liaison for clients.

EXPERIENCE

Steve brings more than 25 years of design, construction and project management experience. Steve started as a construction foreman, then a design professional, and then moved into various roles including a structural engineer, a construction manager, an owner's representative and a project manager for a developer. Prior to Lauth, Steve worked in the project manager role for Ginn Development and Florida Hospital implementing projects from planning and concept through design and construction. He was responsible for full management of the projects, personnel and budgets. Steve also worked as an owner's representative for Orange County on the County Courthouse and Airport renovation, and for Universal Studios as a construction manager on the Islands of Adventure project. Steve has over ten years of design experience working at A/E firms on Commercial, Health Care and Institutional projects. The four years Steve spent working as a construction foreman gives him insight into parts of a project that many Directors do not have.

COMMUNITY INVOLVEMENT

- Habitat for Humanity
- Downtown Orlando Partnership - Member
- YMCA youth basketball - Coach

EDUCATION

University of Illinois, Masters of Architecture: Structural Engineering Option
University of Illinois, Bachelor of Science in Architectural Studies
Kishwaukee College, Associate of Science

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PROJECT TEAM MEMBER

TRAVIS S. HOWARD
Development Associate, Healthcare

TEAM RESPONSIBILITY

As a Development Associate, Travis' responsibilities include business development in Lauth's southern region, establishing new project pro formas, proposal development, preparing investment memorandum for executive team, market analysis / underwriting, and creating / maintaining client relationships.

EXPERIENCE

In Travis' first year with the Orlando team he has played an integral role in Lauth Healthcare's business development. Currently there is the potential for over 610,000 square feet in the southern region's business pipeline.

COMMUNITY INVOLVEMENT

- Lake Brantley High School – Volunteer Water Polo Coach
- Habitat for Humanity – Volunteer
- Florida Atlantic University Swim Team – Alumni Contributor
- Downtown Orlando Partnership – Professional Member
- Florida Hospital Association – Professional Member

EDUCATION

Rollins College, Crummer School of Business, Master of Business Administration,
Management

Florida Atlantic University, Bachelor of Business Administration, Management and
Marketing

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Related Experience and Projects

OFFICE:

NASCAR Plaza

Location: Downtown Charlotte, NC

Role: Owner/Developer

Date completed: 4th Quarter 2008

Size: 390,000 Sq. Ft.

Cost: \$105,000,000

Financing: Regions Bank

Profitability: Positive

Team Composition:

Owner/Developer: Lauth

**Architects: Pei Cobb Freed & Partners, LS3P Associates -Contractors:
BE&K, Lauth Construction**

Current Status: Under construction.

Occupancy: 30%

Contact Information:

**Ed Bennett
VP, Real Estate
(386) 947-6552**

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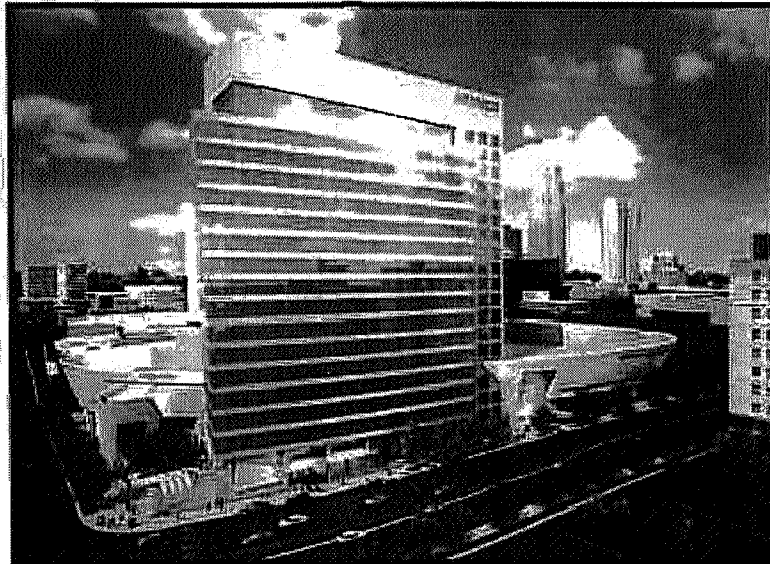


Urban Redevelopment Project

Lauth's most recent urban infill project is NASCAR Plaza, in Charlotte, North Carolina. NASCAR Plaza will be Charlotte's most recognizable business address. This 390,000 square foot, 20-story Class "A" office tower will be located in the heart of the Queen Town's thriving financial district. The \$100,000,000 building will be connected to the NASCAR Hall of Fame and integrated with the Charlotte Convention Center. In addition to its contemporary design, NASCAR Plaza will be built to achieve LEED certification.

NASCAR Plaza will be of interest to any company seeking modern Class-A office space in downtown Charlotte. The office tower will offer tremendous visibility, spectacular views, state-of-the-art amenities found in only the newest buildings, and Charlotte's most recognizable business address. NASCAR Images and NASCAR Licensing will serve as the anchor tenants of the office tower. They will occupy 110,000 square feet – less than one-third of the 390,000 square feet of space. The remaining space is available for lease through Lauth.

One of the most celebrated features of NASCAR Plaza is its design. The world renowned architectural firm, Pei Cobb Freed & Partners, designed NASCAR Plaza and the NASCAR Hall of Fame. The firm has been recognized for its buildings in cities worldwide, including the Javits Convention Center in New York Town, the expanded Louvre in Paris, the Rock and Roll Hall of Fame in Cleveland and the U.S. Holocaust Memorial Museum in Washington, D.C.



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HEALTH CARE:

Bon Secours Cancer Institute
Location: Midlothian, VA

Role: Owner/Developer

Date completed: 2006

Size: 55,000 Sq. Ft.

Cost: \$10,406,889

Financing: GE Capital

Profitability: Positive

Team Composition:

Owner/Developer: Lauth Property Group

Architects: O'dell

Contractor: Lauth Construction

Current Status: Complete

Occupancy: 100%

Contact Information:

Peter Bernard
Chief Executive Officer
(804) 281-8330

Steve Craig
Director, Physician Practices
(804) 281-0229



Lauth Healthcare Services

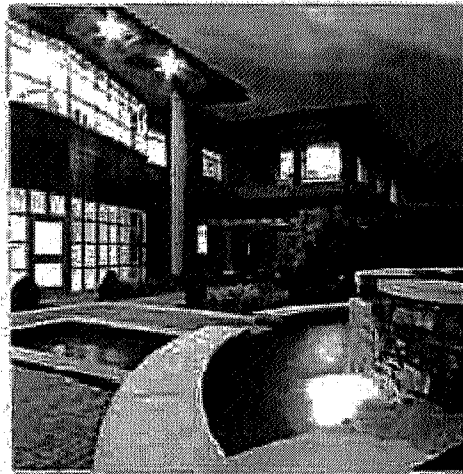
Our industry experts provide the knowledge and experience needed to solve complex real estate challenges. Lauth has developed and constructed in excess of 2.5 million square feet of healthcare facilities nationwide, valued in excess of \$480 million.

- Ambulatory Surgery Centers
- Long Term Acute Care Hospitals
- Specialty Hospitals
- Medical Office Buildings
- Hospital Campuses
- Wellness and Fitness Centers
- Health Science Facilities and Campuses

Lauth ranks as the 13th largest healthcare developer in the United States according to *Modern Healthcare*. As a fully integrated development and construction firm, Lauth's experienced Healthcare team offers:

- Feasibility and planning
- Site selection and acquisition
- Development and construction
- Marketing and leasing
- Ownership and financing
- Asset and property management

As a private company, we have the flexibility to design ownership structures around the investment preferences and strategic goals of our partners. With significant financial strength and resources, we do not have specific pre-leasing requirements in order to commence construction projects.



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RETAIL:

**Clay Terrace
Carmel, Indiana**

Role: Owner/Developer

Date completed: 2004

Size: 570,000 Sq. Ft.

Cost: \$90,000,000

Financing: Nomura Group

Profitability: Positive

Team Composition:

Owner/Developer: Lauth Property Group, Simon Property Group

Current Status: Completed

Occupancy: 100%

Contact Information:

Lauth Property Group

Larry Evinger

First Vice President, Retail

317.575.3158



Retail Developments

We take pride in knowing that the biggest and best names in retail have chosen us to develop their locations, including Target, Kohl's, The Home Depot, Kroger, Circuit Town, Bath & Body Works, Dick's Sporting Goods, DSW, Pier 1 Imports and Wild Oats.

In October 2004, Lauth, along with our Joint Venture Partner Simon Property Group, opened Clay Terrace, the first lifestyle center in central Indiana.

Main Street was reborn in Hamilton County. Meticulously blending high-end retailers, restaurants and entertainment with an eclectic office environment, Clay Terrace offers a totally unique and exciting experience for both the retailers and shoppers.

Most recently, we have opened two centers comprising approximately 700,000 square feet, with anchors such as Gordmans and Sportsman's Warehouse.

We have 6 new developments in the pipeline with anchors including Lowe's, Kohl's, JCPenney and Cinemark. Upon full build-out, these projects will comprise over 2 million square feet of retail development.

Our current retail portfolio totals 2.72 million square feet of retail space at an estimated value of nearly \$326,000,000.



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MIXED USE:

Ptarmigan at the Bradley Center
Location: Milwaukee, Wisconsin

Role: Owner/Developer

Date completed: 2011

Size: 315,000 – 390,000 Sq. Ft.

Cost: \$110,000,000

Financing: Equity- Internal direct investment;
Debt- Major commercial lender

Profitability: Positive

Team Composition: Under Development

Current Status: Under Development

Occupancy: N/A

Contact Information for Owner:
Lauth Property Group
Larry Evinger
First Vice President, Retail
317.575.3158

Description: Mixed use redevelopment in Downtown Milwaukee, Wisconsin.



Ptarmigan at the Bradley Center Milwaukee, WI

Consistency with Park East Redevelopment Plan

The Park East Redevelopment Plan, adopted by the Town on June 15th, 2004, provides guidelines for utilizing innovative urban design to coordinate land development within the Park East Redevelopment Area in a cohesive manner.

The Gateway District has been envisioned in accordance with this redevelopment plan, and aims to provide venues to “ensure continuity of the social street front” and place restaurants, cafes and smaller-scale activities at street level. Lauth envisions the closure and abandonment of Fifth Street south of McKinley Avenue, which is contemplated in the Park East Redevelopment Plan.

Lauth’s current departure from this plan is our desire to temporarily utilize the area bound by McKinley Avenue, Juneau Avenue, 4th Avenue and 6th Avenue as a surface parking lot. It is our assumption that this lot can accommodate parking for the retail, restaurant and entertainment establishments during peak event traffic of the Bradley Center. It is anticipated that this area will be developed, possibly as an additional phase of The Gateway District, after the construction and stabilization of Phases 1 and 2 of this development. Based on public records, this area is environmentally degraded due to previous manufacturing and industrial uses, and surface parking can temporarily “cap” this contamination until the site is fully redeveloped.

Retail (Levels 1 through 3)

Level 1: The ground level of The Gateway District will contain a mixture of restaurant users, small scale entertainment venues and smaller format retail stores lining 4th Street and 6th Street. This collection of tenants will create a pedestrian intensive atmosphere surrounding the main entrance to the Bradley Center on 4th Street. The Juneau Avenue frontage will incorporate additional retail tenants, with space available for mid-size national retailers if warranted. There will be a retail “atrium” on 6th Street allowing access to second and third level retail users.

Level 2: It is anticipated that a large national retail department store will occupy a portion of Level 2, accessed from the ground level retail atrium and from a bridge connection to a proposed parking structure.

Level 3: It is anticipated that a second large national retail department store will occupy all of Level 3. This tenant will be accessed from the ground level retail atrium and will have access to the proposed parking structure via a proposed bridge connection.

Office / Residential

Although the extent and timing of an office and / or residential component will be determined as the market needs dictate, The Gateway District has reserved ample area for a tower structure on the corner of Juneau Avenue and 6th Street. This location not only provides visibility to motorist entering the Town, but it is also strategically located to have access to the proposed parking structure.



Size of Development

Phase 1 of The Gateway District is expected to contain over 315,000 square feet of space, excluding the proposed parking structure. The anticipated breakdown of this square footage is found below:

USE	APPROXIMATE SQUARE FOOTAGE
Specialty Retailers and Restaurants	50,000 - 75,000
Mid-size Retailers	25,000 - 75,000
Retail Department Store Anchors	240,000
Total	315,000 - 390,000

Initial Estimates place the cost of this development in excess of \$110,000,000, including the costs of structured parking.



Mixed Use:

Market Square

Location: Indianapolis, Indiana

Role: Owner/Developer

Date completed: 2010

Size: 295,000 Sq. Ft. plus 400 condominiums

Cost: \$150,000,000

Financing: Internal direct investment supplemented by institutional equity

Profitability: Positive

Team Composition:

Owner/Developer: Lauth Property Group, Heartview Residential

Architect: Suttle-Mindlin, Browing Day Mullins Dierdorf

Current Status: Lauth selected, pending final approval by government administration

Occupancy: N/A

Contact Information for Owner:

Lauth Property Group

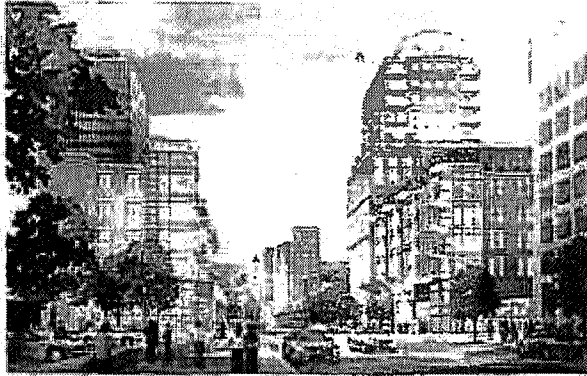
Tag Birge

First Vice President

317.575.3180



Market Square Indianapolis, IN



Project Description

Market Square is a vibrant new neighborhood that will anchor the east side of the Central Business District and provide retail opportunities for the Town of Indianapolis and the surrounding neighborhoods. Market Square will create a dynamic new commerce center, combining approximately 190,000 square feet of national and local retail stores, an office tower of 105,000 square feet, and 200 residential units, 40 of which will be above of the office tower. This new dynamic neighborhood will be at the site of the former Market Square Arena and will provide a place to work, a place to eat, a place to live, and all of the necessary associated parking – all the ingredients for an active 24-hour district that members of the creative class seek. All of the developments will be constructed using sustainable practices, including a green roof that will be open to the public.

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REFERENCES

COMPANY	PROJECT	CONTACT
Bon Secours Hampton Road Health System	Ambulatory Care Center 80,000 SF Virginia Beach, VA	Dick Hanson Chief Executive Officer (757) 673-5968
Rockingham Memorial Hospital	Medical Office Buildings 75,000 SF & 100,000 SF Harrisonburg, VA	Scott Campbell Project Manager (540) 437-8300
Western Maryland Health System	Medical Office Building 120,000 SF Cumberland, MD	Kevin Turley Vice President, Planning & Construction Administration (301) 723-6420
Pinnacle Health	Medical Office Building 64,000 SF Mechanicsburg, PA	Bill Wilkinson VP, Ambulatory Care and Ancillary (717) 657-7507
Alcoa	Office/Headquarters 40,000 SF Indianapolis, IN	Scott Parkinson Director of Global Procurement (317) 390-5388
Eli Lilly	Office Facility 140,000 SF Indianapolis, IN	Steve Van Soelen (317) 433-5779
Enovia Corporation	Office Facility 90,000 SF Charlotte, NC	Tom Emmrich Facility Manager (704) 944-8909
SI International	Class "A" Office Building 123,200 SF Colorado Springs, CO	Steve Hunt VP & CIO (703) 234-7005

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Client Testimonials

Lauth is a trusted partner with the entrepreneurial drive, communication acumen and passion for our business to serve clients better and make things happen. Because we have the right People, Trust, and Experience, clients can feel better informed, mitigate risks, be securely in control of their projects and confident in the end results. Following are statements from a few of our satisfied clients:

"I would like to take this opportunity to thank you and your team for accomplishing a tremendous feat, the successful development of Clay Terrace! Clay terrace is a wonderful development that successfully integrates with the public character of Carmel. Your team has created an environment that evokes memories and makes visitors feel at home. Carmel had set high development standards but Clay Terrace has allowed us to raise the bar. The Town of Carmel is proud to have Clay Terrace within its boundaries." **James Brainard, Mayor, Town of Carmel**

"The Lauth team won our business by being entirely customer focused, and this theme continued throughout the construction process where your concern for our satisfaction and your passion to create a building was a benchmark in terms of quality and cost-effectiveness was evident. I was especially impressed by the many times Lauth added elements to the building or grounds, without request from us, in order to make it a first-class facility. Your integrity, credibility and motivation were unquestionable. The end result is a location we are very proud to call home."

Tom Emmrich, CFO, ENOVIA Corp and VP, Finance and Operations, DS-PLM Americas

"Lauth Property Group knows its industry well. They addressed our specific issues of transportation, infrastructure and quality of workforce. I've managed similar building projects and our development with Lauth is certainly among the smoothest transactions we've done. I give the company credit for managing our 505,000 sf national distribution center in a hand-on, detailed manner."

William E. Deeney, Senior Vice President, Guitar Center, Inc.

"Lauth fast-tracked our 805,000 sf state-of-the-art HomeGoods distribution center and completed this difficult project ahead of schedule. They really have the big box development and construction process figured out and that translated to good news for our bottom line."

Joseph K. Birmingham, Senior Vice President, TJX Companies, Inc.

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Testimonials Continued

"We are thrilled with the finish product and the punch list was the shortest I have ever written. From beginning to end your team was professional, hardworking, competent and always friendly. Every project has its challenges and each was met with an upbeat attitude and a desire to problem solve quickly and efficiently. This impressed me most. Great Escape Theatres was fortunate to have selected Lauth as our contractor. You delivered a quality facility quickly and economically. It is my deepest desire to continue our relationship building theatres together. Thank you and your team for a "Great" job." **Jim Marcus, Great Escapes Theatre**

"I would like to take this opportunity to thank your team for accomplishing a tremendous feat...the due diligence on our building at 2500 West Colonial Drive. Your team was extremely proactive from the beginning in uncovering every potential item that would detract or enhance from the purchase of this building. Your team's attention to every site detail, cost consciousness, drive to bring incentive dollars to the table, involvement with the Town on deal breaker issues and quality interface with the Sunterra team is to be commended."

Gigi Giannoni, Senior Vice President, Sunterra Resorts

"Your company is certainly comprised of a group of very dedicated individuals who worked tirelessly to ensure IDG Books Worldwide's Crosspoint build-to-suit project was a success. Thanks to your team for your dedication to customer service."

Nazan P. Wolfe, Associate Director, Facilities and Office Services, IDG Books Worldwide

"I would like to thank your company for the excellent services provided in the construction of our new store in Indianapolis. I was very pleased with the quality of work and the organization of the entire project. The site was always clean and orderly and the project was completed on time and within budget. I look forward to working together in the future."

Roget Feenstra, President, Berean Christian Stores

"As a small business owner it was a pleasure working with your team. They were responsive, quick, thorough, understanding and efficient. It was such a pleasure working with a big company that was interested in us. Please accept our congratulations on your fine team"

Erik Russell, Posie Patch Bridal Superstores

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Vice President for Research
Wintford M. Phillips

223 Grinter Hall
PO Box 115500
Gainesville, FL 32611-5500
352-392-1582/9271
352-816-0191 Fax

October 1, 2008

Michelle Ramsey
Senior Attorney
Governor's Office of Tourism, Trade,
and Economic Development
State of Florida
Tallahassee, FL 32399

Dear Ms. Ramsey,

This letter is to indicate my support for the proposed development of the Florida Tuberculosis Research and Education Center. As outlined in the proposal from Lauth Development, this Center will integrate a newly constructed A.G. Holley tuberculosis hospital (to remain under Department of Health ownership) with world-class University of Florida research and training facilities. Tuberculosis is an important disease in Florida, and a major global cause of illness and death. The proposed Center will allow us to apply the best possible science to its treatment and control, while providing a clinical and research base that should increase the attractiveness of Florida as a place to co-locate, for biotechnology companies working with this and other infectious diseases.

We look forward to further negotiations with your office to make this Center a reality.

Sincerely,

A handwritten signature in cursive script, appearing to read "Wintford M. Phillips".

cc: J. Bernard Machon, President
University of Florida

Max-Planck-Institut für Infektionsbiologie
Prof. Dr. Dr. h. c. S. H. E. Kaufmann Direktor am Institut
Abteilung Immunologie

Max-Planck-Institut für Infektionsbiologie
Charitéplatz 1 Campus Charité Mitte D-10117 Berlin

Winfred M. Phillips
Vice President for Research
University of Florida
Gainesville, FL 32610

USA

Berlin, 26. September 2008/Si

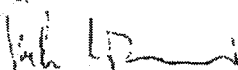
Dear Dr. Phillips,

I understand that the University of Florida, through its Emerging Pathogens Institute, is considering placement of a specialized tuberculosis hospital (the A.G. Holley Hospital) and research facility adjacent to the planned Max Planck Society Florida Institute. This letter is to indicate my clear interest and support for development of such a facility. Tuberculosis is a major global health problem, and one that has been the major focus for research at the Max Planck Institute for Infection Biology in Berlin. For further details you may want to have a look at our website: www.mpiib-berlin.mpg.de. Our research is funded amongst others by the Bill and Melinda Gates Foundation, by the European Union, by the NIH (pending) and numerous German research agencies. The availability of such a facility would clearly be beneficial to our investigators, providing opportunities for collaboration in basic research, as well as permitting our scientists to work side-by-side with University of Florida clinician investigators. At a more general level, we would also be pleased to have faculty and students from the University of Florida within the same research cluster as our laboratories, and would look forward to developing strong collaborative ties with University investigators in a number of areas of potential joint interest.

This is an exciting proposal, and we would be very pleased to be part of what promises to be a world-class center for research on tuberculosis. We wish you every success as you move forward with your plans.

Please do not hesitate to contact me if you have further questions.

Yours sincerely,



Prof. Dr. Dr. h.c. Stefan H.E. Kaufmann

September 30, 2008

J. Glenn Morris, MD MPH & TM
Director, Emerging Pathogens Institute
University of Florida
P.O. Box 100009
Gainesville, FL 32610-0009

Dear Dr. Morris:

During the 2008 Legislative Session the Florida Hospital Association opposed the closure of A.G. Holley State Hospital. Our association took this position because we strongly believe this facility exists to protect public health by providing long-term, in-patient care for the most difficult and complex cases of TB and to prevent the emergence of the most drug-resistant strains of TB. These strains are highly contagious and potentially fatal and this disease remains a viable public health threat. Florida's Department of Health's primary mission is the protection of the public's health and the services offered by this facility should continue to be a key component of that mission. Our research shows that:

- Approximately 1,000 cases of TB are diagnosed in Florida each year. The majority of these patients are diagnosed at private hospitals and discharged into their community where they are case managed by the county health departments to ensure completion of treatment and cure;
- Of the 1,000 TB cases diagnosed per year, approximately 100 require referral to A.G. Holley Hospital because they are the most difficult and complex cases;
- Approximately 70% of patients are court ordered and committed to this facility because they pose a significant public health threat and all other lesser restrictive care options have been exhausted and failed;
- Approximately 33% of patients have drug resistant strains including multi-drug and extensive-drug resistant TB;
- Average length of stay is at least 6 months and often up to 18 months;
- Monthly average drug costs may be as much as \$9000 per month – requires IV antimicrobial treatment; and
- Complex medical and psychiatric co-morbidities exist in this population including major psychiatric illness and alcohol/drug addiction, HIV/AIDS, and Hepatitis C Virus coinfections.

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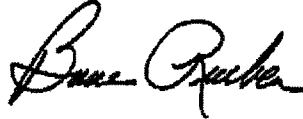
www.fha.org www.fhcareers.com www.fhhealthjobs.com

J. Glenn Morris, MD MPH & TM
September 30, 2008
Page 2

Florida's acute care hospitals are not staffed, prepared or equipped to handle this caseload on a recurring basis. Hospital isolation rooms are already stretched to maximum capacities without the influx of complex TB patients who tend to have long lengths of stay. Also, these patients will likely be uncompensated care in these community hospitals and result in further shifts of costs to our already overburdened insured patients.

For these reasons the FHA continues to oppose the elimination of this healthcare resource in Florida. We encourage the Governor's Office and the AG Holley Invitation to Negotiate Review Committee to consider creative partnerships such as the UF ITN proposal to continue providing quality inpatient care for TB patients in Florida.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Rueben". The signature is fluid and cursive, with the first name "Bruce" being larger and more prominent than the last name "Rueben".

Bruce Rueben
President
Florida Hospital Association



PO Box 13950
Research Triangle Park, NC USA
1.919.544.7040 Fax 1.919.544.7261
www.fhi.org

Courier Address
2224 E NC Hwy 54
Durham, NC 27713 USA

September 26, 2008

J. Glenn Morris, Jr., MD, MPH&TM
Professor and Director
University of Florida
Emerging Pathogens Institute
101 Newell Dr., Building 62
Gainesville, FL 32611

Dear Dr. Morris,

As per prior discussions, it is my understanding that the University of Florida, through your Institute, is proposing development of a center for tuberculosis research and training, in conjunction with construction of new facilities for the A.G. Holley Hospital. Tuberculosis is a major global health problem, and one that has become the focus of increasing attention from industry, foundations such as the Bill & Melinda Gates Foundation, and the U.S. Government.

Family Health International (FHI) is among the largest nonprofit organizations active in international public health with a mission to improve lives worldwide through research, education, and services in family health. We manage research and field activities in more than 70 countries to meet the public health needs of some of the world's most vulnerable people, with a 2008 operating budget greater than \$350,000,000. We work with a wide variety of partners including governmental and nongovernmental organizations, research institutions, community groups, and the private sector. Construction of the proposed research/training/clinical facilities in conjunction with A.G. Holley would very likely open the door for further collaborations between FHI and the University of Florida.

It is an exciting plan, and we wish you success as you move forward with your proposal.

Sincerely,

A handwritten signature in black ink that reads 'Lucy Siegel'. The signature is written in a cursive, flowing style.

Lucy Siegel, MPH
Director, Research Resource Development

cc: Albert J. Siemens, PhD
Chairman and Chief Executive Officer



October 3, 2008

J. Glenn Morris, MD MPH & TM,
Director of the Emerging Pathogens Institute
Emerging Pathogens Institute, UF
101 South Newell Drive, Building 62
Gainesville, FL 32611

Dear Dr. Morris,

AG Holley is one of the few facilities that are capable of curing the most complex and difficult-to-treat cases of TB disease. This hospital has a long history of providing medical care and education for TB elimination. As TB incidence rate declines in the United States, fewer health care facilities have the expertise for treating critically ill TB patients, particularly those with drug resistant forms of the disease. As a result, AG Holley's role in this respect is increasingly important. AG Holley is also a recipient of the Centers for Disease Control and Prevention cooperative agreement for Regional Training and Medical Consultation Centers. The Southeastern National Tuberculosis Center housed at AG Holley provides training and consultation to health care and outreach workers throughout the southeastern region of the United States.

We are pleased to hear that AG Holley could become a site for clinical research for new drug regimens and diagnostics. We wish you success in further developing the research and education potential of this institution.

Sincerely,

Kenneth G. Castro, M.D.
Assistant Surgeon General, U.S. Public Health Service
Director, Division of Tuberculosis Elimination
National Center for HIV/AIDS, Viral Hepatitis, STD, and
TB Prevention
Coordinating Center for Infectious Diseases
Center for Disease Control and Prevention

Based on review and evaluation of proposals submitted for the solicitation for the AG Holley Hospital project, The Office of Tourism, Trade, and Economic Development intends to award the Invitation to Negotiate with the following responder:

Lauth Property Group, MGE Architects, and University of Florida

A final contract is contingent upon specific details to be negotiated with the responder. Failure to file a protest within the time prescribed in Section 120.57(3), Florida Statutes, or failure to post the bond or other security required by law within the time allowed for filing a bond shall constitute a waiver of proceedings under Chapter 120, Florida Statutes. If the notice advises of the bond requirement but a bond or statutorily authorized alternate is not posted when required, the agency shall summarily dismiss the petition.

MEMORANDUM
EXECUTIVE OFFICE OF THE GOVERNOR
OFFICE OF TOURISM, TRADE, AND ECONOMIC DEVELOPMENT

DATE: December 3, 2008
TO: Governor Charlie Crist
FROM: Dale A. Brill, Ph.D.
SUBJECT: A.G. Holley Hospital Economic Development Project

The review committee and advisors appointed to guide the Invitation to Negotiate for the A.G. Holley Hospital recommend that we extend the Invitation to the team comprised of the University of Florida, Lauth Property Group, and MGE Architects.

Both OTTED and this committee are serving in an advisory capacity to the Department of Health in its endeavor to comply with section 287.057, Florida Statutes (2008). In this statute, the Legislature charged the Department with entering into an agreement to finance, design, construct, and operate a tuberculosis treatment facility. Extending the ITN to the above team is a step toward meeting that charge.

The review committee is comprised of representatives from the Department of Health, the Town of Lantana, A.G. Holley Hospital, the Department of Management Services, OTTED, and Palm Beach County. The committee has held three public meetings to discuss the response to the ITN. On one occasion, the committee engaged the above referenced team to discuss specific concepts involving the AG Holley Hospital and the surrounding communities.

The recommendation to continue with negotiations comes with several contingencies. Perhaps the most important challenges are those presented by the current economic environment, which exacerbates the difficulty in negotiating a reasonable return for the state land involved. The committee also plans to pay special attention to appropriate financing opportunities, the concerns of the local communities, maintaining the level of care currently provided by the A.G. Holley Hospital, and the propriety of economic development opportunities. The committee reserves the right to suspend negotiations, if the circumstances are not in the best interest of the State of Florida and its citizens.

If you concur with this recommendation, a special negotiation team will be appointed by the committee to engage in discussions regarding specific project details. This team will continue to provide regular updates of the negotiations as the team seeks the best possible situation for the interested parties.

Any proposed final agreement will be brought to you for endorsement.

GOVERNOR'S DECISION:

I concur with the above recommendation: _____

Do not concur and find: _____

(Signature)

(Date)